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THE NATION'S INVESTMENT IN CHILDREN

An Analysis of the President's FY 1993 Budget Proposals

LEAVE NO CHILD BEHIND™

Children's Defense Fund

We, as a nation, pride ourselves in being first.

Is this the best America can do for its children?

Ranking in the world:

24th	on infant mortality.
19th	on mortality rate for children younger than five.
29th	in low-birthweight births.
17th	in proportion of one-year-olds fully immunized against polio.
70th	when U.S. proportion of nonwhite one-year-olds fully immunized against polio is compared with overall rates of other nations (behind Albania, Oman, Botswana, Jamaica, Tunisia, and Sri Lanka, and 63 others).
19th	in number of school-age children per teacher (23-to-1), behind Libya, Lebanon, Cuba, and 15 others.

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Selected Children's Programs in the President's FY 1993 Budget

	FY 1991 Actual (millions)	FY 1992 Actual (millions)	FY 1993 Proposed (millions)	Change FY93-FY92 (millions)	Change FY93-FY92 (percent)
Child Health:	$ 2,932.1	$ 3,246.5	$ 3,410.5	$ 164.0	5.1%
Maternal & Child Health	587.3	650.0	673.6	23.6	3.6
Mental Health Block Grant	1,268.7	1,360.0	1,360.0	0.0	0.0
Immunization	217.2	297.8	349.1	51.3	17.2
Venereal Disease Prevention	85.0	89.0	90.0	1.0	1.1
Community Health Centers	478.2	527.2	579.2	52.0	9.9
Migrant Health	51.7	57.7	60.0	2.3	4.0
Health Care for the Homeless	50.9	56.0	68.0	12.0	21.4
Family Planning	144.3	150.0	154.6	4.6	3.1
NHSC Scholarships & Loans	48.8	58.8	76.0	17.2	29.3
Child Care & Child Welfare:	7,204.2	7,825.6	7,869.0	43.4	0.6
Social Services Block Grant	2,800.0	2,800.0	2,800.0	0.0	0.0
Community Services Block Grant	435.8	437.4	5.0	-432.4	-98.9
Child Development Block Grant	731.9	825.0	850.0	25.0	3.0
Head Start	1,952.0	2,201.8	2,801.8	600.0	27.3
Child Development Scholarships	1.4	1.4	1.4	0.0	0.0
AFDC Child Care-Family Support Act	320.7	340.0	381.0	41.0	12.1
Non-AFDC "At Risk" Child Care	216.2	383.8	300.0	-83.8	-21.8
Child Care/Crisis Nurseries	11.0	12.7	12.2	-0.5	-3.9
Child Abuse State Grants	19.5	20.5	20.5	0.0	0.0
Child Abuse Discretionary	14.6	14.6	16.6	2.0	13.7
Child Abuse Challenge Grants	5.4	5.4	5.4	0.0	0.0
Family Violence	10.7	20.0	20.0	0.0	0.0
Adoption Opportunities	12.7	12.7	12.7	0.0	0.0
Abandoned Infants Assistance	12.6	12.6	13.8	1.2	9.5
Child Welfare Training	3.6	3.6	5.6	2.0	55.6
Child Welfare Services	273.9	273.9	273.9	0.0	0.0
Child Development Centers	24.4	44.4	44.4	0.0	0.0
Emergency Protective Services	19.5	19.5	19.5	0.0	0.0
Family Unification (Homeless)	n/a	50.0	0.0	-50.0	-100.0
Independent Living	60.0	70.0	70.0	0.0	0.0
Child/Adolescent Service System	9.6	9.6	9.6	0.0	0.0
Runaway Youth	35.1	35.7	63.0	27.3	76.5
Runaway Youth/Transitional Living	9.9	12.0	0.0	-12.0	-100.0
Runaway Youth/Drug Abuse Prev.	14.8	15.3	0.0	-15.3	-100.0
Drug Abuse Prevention/Gangs	14.8	10.9	10.9	0.0	0.0
Juvenile Justice	75.3	68.6	7.5	-61.1	-89.1
Native American Programs	33.4	34.0	34.0	0.0	0.0
Development Disabilities-Grants	85.4	90.2	90.2	0.0	0.0

Selected Children's Programs in the President's FY 1993 Budget (continued)

	FY 1991 Actual (millions)	FY 1992 Actual (millions)	FY 1993 Proposed (millions)	Change FY93-FY92 (millions)	Change FY93-FY92 (percent)
Education:	$22,161.8	$23,651.0	$25,908.3	$2,257.3	9.5%
Chapter 1 Compensatory Education	6,065.8	6,696.4	6,817.6	121.2	1.8
Handicapped Education	2,616.3	2,854.9	2,943.4	88.5	3.1
Bilingual Education	168.7	195.4	203.6	8.2	4.2
Chapter 2	484.6	489.3	480.8	-8.5	-1.7
Vocational Education	1,010.9	1,149.6	1,150.6	1.0	0.1
Indian Education	75.4	76.6	81.2	4.6	6.0
Follow Through	7.3	8.6	0.0	-8.6	-100.0
Dropout Prevention	34.1	40.0	38.2	-1.8	-4.5
Education of Homeless Children	7.3	25.0	25.0	0.0	0.0
Women's Educational Equity	2.0	0.5	0.0	-0.5	-100.0
Civil Rights IV-A Centers	21.3	22.0	22.0	0.0	0.0
Student Financial Assistance	6,714.9	6,888.0	7,692.8	804.8	11.7
Guaranteed Student Loans (adjusted)	4,619.5	4,819.5	6,046.1	1,226.6	25.5
TRIO (higher education)	333.7	385.2	407.0	21.8	5.7
Miscellaneous	14,008.7	18,168.3	15,965.4	-2,202.9	-12.1
Supplemental Food (W.I.C.)	2,350.1	2,600.0	2,840.0	240.0	9.2
Job Corps	867.5	955.1	909.5	-45.6	-4.8
Summer Youth Employment	682.9	495.2	0.0	-495.2	-100.0
JTPA Youth Training	n/a	n/a	1,332.9	n/a	n/a
Job Opportunities & Basic Skills	880.0	1,000.0	1,000.0	0.0	0.0
Public, Indian & Section 8 Housing	7,156.0	11,134.0	8,368.0	-2,766.0	-24.8
Emergency Food and Shelter	134.0	134.0	100.0	-34.0	-25.4
Low Income Energy Assistance	1,610.0	1,500.0	1,065.0	-435.0	-29.0
Legal Services	328.2	350.0	350.0	0.0	0.0
Total	$46,306.8	$52,891.4	$53,153.2	$ 261.8	0.5%

THE FY 1993 BUDGET

What America's Children Need

In 1992 it is the Children's Defense Fund's goal that no American child is left behind and that all children receive a Healthy Start, a Head Start, and a Fair Start:

A Healthy Start

On many indices of child health, America ranks behind almost all of its competitors and economic peers internationally. Congress has already voted to extend Medicaid health coverage to every poor child, but this will not be fully phased in until 2002. Children and mothers who need basic health care--including prenatal and maternity care, check-ups, immunizations, and care for children who are sick or disabled--cannot wait another decade. They are growing up now, today and tomorrow, and are being born at risk.

A Head Start

Quality preschool, child care, and Head Start programs help keep children at grade level, help children get ready for school, and prevent later costly special education and teen pregnancy. All eligible children must be able to participate in Head Start and have access to quality child care. Unless our children are prepared for school, we will not reach our educational goals as a nation.

A Fair Start

An unhealthy or homeless child will not learn well. A hungry child cannot concentrate on her lessons. But America's astronomical and self-defeating child poverty rate is far higher than those of other wealthy democracies. Families need basic economic security, and a crucial first step is a refundable children's tax credit. Child support should be assured. If an absent parent is not sending regular payments, the government should assure the monthly payment is made and then seek reimbursement from the absent parent. And most of all, families need jobs with adequate wages.

For too long the task of meeting our children's and our nation's urgent domestic needs has been deferred while we poured extraordinary energy, effort, and dollars overseas. Now the successful conclusion of the Cold War means that funds exist to reverse the pattern of national neglect of families and children. Yet President Bush has not taken advantage of this historic opportunity to lead the nation in restructuring its priorities to save its families and children. The FY 1993 budget proposed by President Bush and Budget Director Richard Darman shortchanges the nation's families, children, and future.

The Status of Children in America Continues to Worsen

Over the past decade, America's children have become poorer, less likely to have health insurance or be properly immunized, and more likely to be homeless, neglected, or become teen parents. Their parents have been battered by waves of recession,

unemployment, wage stagnation, job insecurity, skyrocketing housing and health costs, and worries about violent crime-ridden neighborhoods.

Surviving childhood, much less having the opportunities to develop as a healthy child, no longer can be taken for granted. America's children and their families face enormous problems:

- More than 13 million children live in poverty in America. This is 3 million more children than were poor in 1980. In just 1990, 840,000 more children became poor. One in every five children in America is poor. For young children, younger than six, the odds are even worse: one in every four children is poor. Many more children live in families with incomes only marginally above poverty.

- In 1990 more than 25 million children younger than 18--40 percent of all American children--lacked employer-based health insurance coverage, although the majority are in working families. Of the 46 million children who did have private coverage during 1990, approximately 43 percent--nearly 20 million--will experience some period without health coverage by the end of 1992.

- Seven percent of all infants born in 1989 were born at low birthweight, the highest proportion since 1978.

- In 1989, birth rates for teens ages 15 to 18 shot up to their highest level in nearly two decades.

- Fewer of our children are vaccinated against wholly preventable diseases, such as polio, measles, mumps, rubella, and pertussis, than in the past. Measles epidemics are becoming common. Twice as many children contracted pertussis last year than in 1981. There were five times as many measles cases in 1991 as just three years earlier.

- More than 100,000 children are homeless in America every night.

- The foster care system is overwhelmed by constantly increasing numbers of children in need of care. About 406,000 children are in foster care--almost a 50 percent increase from the mid-1980s.

The President's Budget Will Neither Reverse These Trends Nor Attack Their Root Causes

Given the enormous problems of America's children and the enormous opportunity that the end of the Cold War presents to attack them, the president's budget is particularly disappointing. Two of its themes are clear. First, the little amount of money the president gives to children with one hand, he takes away with the other. Second, with the tax and spending changes proposed in the president's budget, the rich will continue to get richer while those who need assistance--

President's Budget Ignores the Reality of the Recession

Every recession takes an immediate toll, measured in terms of lost jobs and shattered dreams. Yet recessions also change the economic landscape in more permanent ways, frequently altering the distribution of jobs and reshaping the economy. During the 1990-1991 recession, young workers emerged as the overwhelming losers. Workers younger than 25 absorbed 86 percent of the net employment declines that occurred from the first five months of 1990 (before the recession) to the first five months of 1991. They absorbed nearly 100 percent of the net employment declines from the summer of 1990 to the summer of 1991.

For young workers particularly, Secretary of the Treasury Nicholas Brady erred when he said early in the recession that recessions are not "the end of the world" and are "no big deal." When President Bush dismissed concerns about the unraveling economy and told interviewer David Frost that after the 1981 recession ended "the economy recovered and everyone lived happily ever after," he could not have had young workers in mind. Even in the late 1980s, before the recession, more than one in three children in a family headed by someone under age 30 was living in poverty.

When recessions end, growing numbers of children are not living happily ever after. In the ensuing periods of economic growth they increasingly are left behind. In the 1970s and 1980s economic growth raised children out of poverty at the paltry rate of 220,000 children a year, only one-fourth as fast as in the 1960s. Because the growth

middle- and low- income children and their families--will continue to be left behind.

Giving With One Hand While Taking Away With the Other

Under the Budget Enforcement Act, enacted in 1990, a number of ill-conceived rules make it more difficult to invest new, but necessary, funding in critical programs for children and families. These rules place a cap on total domestic discretionary spending (spending on domestic programs that are not "entitlements" such as food stamps, Social Security and Aid to

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periods no longer reduce child poverty as much as recessions increase it, America's child poverty rates have been racheting upwards and stand now at levels well above any year in the 1970s. One in every five children is living below the poverty line.

The disproportionate impact of this and other recent recessions on young workers poses serious threats to the well-being of young children because many of them live in young families. Job losses during recessions frequently cost young workers crucial opportunities to gain on-the-job training and work experience, improve their productivity, and establish work histories. As their employment prospects have diminished and their earnings have fallen, young workers have grown less and less able and willing to form and maintain intact, stable families--with disastrous consequences for America's children.

It is important that these young workers and their families be primary beneficiaries of the FY 1993 budget and any emergency supplemental appropriations in FY 1992, and that after the recession they be the focus of special efforts to get young families back on their feet--efforts such as a refundable children's tax credit, a system of child support assurance, health insurance coverage, and expanded investments in Head Start, education, Job Corps and other programs that will build the capacity of young adults and their children.

For more information see Young Workers, Children, and the Recession, November 1991, a report available from CDF.

Families with Dependent Children [AFDC]). There are separate limits (called "caps") on defense spending and international spending. Under the rules of the Budget Enforcement Act, through FY 1993 there are "walls" between these three pots of money; if there are savings in defense they are not available

Block Grants, Entitlement Caps, and Other Budget Gimmicks

The president's budget includes some new and not-so-new proposals that will be very detrimental to children's programs and the children they serve.

Block Grant: Once again, the president proposes to take $14.7 billion of programs, abolish them, and give the states the money with few or no strings attached. Unlike last year's proposal (which was not adopted), this year the president lists the 24 programs he proposes to include in the block grant. They include many programs important to children:

- Maternal and Child Health Block Grant;
- Chapter 2 education block grant;
- McKinney Education for homeless children and youth;
- Juvenile justice/at-risk youth initiative;
- Title XX Social Services Block Grant;
- Drug Free Schools and Communities Act;
- Vocational education;
- State welfare administrative expenses for AFDC, Medicaid, and food stamps.

Masking the actual dissolution of programs that help poor children under block grant programs is a strategy that can only harm children and families. At a minimum, this approach abandons the modest legal and programmatic protections children currently have in these programs and is likely to lead to a shift in resources away from those families most in need. It is also likely to result in the long-term disappearance of the federal money for the state governments, much like the disappearance of federal revenue-sharing.

Entitlement Cap: Entitlements are programs such as Medicaid, Medicare, AFDC, food stamps, and Supplemental Security Income. (All people who meet the eligibility rules of these programs can receive benefits.) Under the rules of the Budget Enforcement Act (BEA), taxes and entitlements are packaged together separate from discretionary spending. An increase in an entitlement can either be paid for with a cut

for spending in the domestic discretionary category.

In FY 1993, even under the president's too modest defense cuts, there will be savings in the defense category, but without a change in the rules of the Budget Enforcement Act there will not be sufficient funds in the domestic discretionary

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in some other entitlements spending or it can be paid for with increased tax revenues. The president's budget proposes to change the BEA rule. Under the proposal, it no longer would be possible to use tax increases to pay for increases in entitlement spending. And this limit would not just apply to growth caused by improved coverage or benefits in an entitlement program. It would apply to growth caused by inflation or states exercising liberalizing options. Any increases in entitlements that exceed the rate of the Consumer Price Index (CPI) plus 2.5 percent in any year would have to be paid for by cutting entitlement spending.

Poor children will be hurt if this proposal is accepted by Congress. For example, health costs have been increasing at rates far in excess of the CPI plus 2.5 percent. If the president's proposal became the rule and health costs in Medicare and Medicaid continued to exceed the limit in any year, all entitlement programs would be affected: the proposal would allow the Administration to sequester (cut) a percentage of funds from all programs to assure that, overall, entitlements did not exceed the CPI plus 2.5 percent. Programs important to children such as AFDC, food stamps, and foster care essetially would be cannabalized by rising health costs, at the same time that Medicaid eligibility and benefits would be cut.

Unexplained Future Domestic Cuts: Despite various cuts and gimmicks, the president still was unable to make the budget numbers balance in FY 1994 and 1995. Rather than acknowledging that he expects to propose even more Draconian domestic cuts in FY 1994 and 1995, the president simply assumes that there will be another $12 billion in cuts in FY 1994, but does not say where he will make these cuts. These assumptions underscore the importance of bringing down the budget walls between defense and domestic discretionary spending in FY 1993, as well as the importance of making substantial cuts in the defense budget. Without such steps, as the president's proposals reflect, children not only will not gain, they actually will lose ground over the next few years. This is unacceptable for America's children and future.

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category just to maintain FY 1992 funding, much less improve children's programs. Appropriations for domestic programs would have to be cut by almost $20 billion between FY 1993 and FY 1995.

The president avoids confronting the nation's domestic needs by saying he wants to retain the budget "wall" between defense spending and discretionary domestic spending. This is a "wall"

What the Experts Say About Defense

Despite the phenomenal changes in the world over the past two years, the president's budget proposes a decline of only 3.2 percent in the defense budget. In FY 1993, the proposed defense budget ($280.4 billion) will exceed the average annual defense budgets (in inflation-adjusted 1992 dollars) produced in President Reagan's first term, FY 1982-1985, as well as the average defense budget during the entire Cold War period, 1947-1989.

It is essential that this nation act far more quickly to take into account the dramatic changes that have taken place around the world. In testimony before the Senate Armed Services Committee on January 22, 1992, the Director of the Defense Intelligence Agency, Lieutenant General James R. Clapper, Jr., noted that the Russian federation's military procurement for the first quarter of 1992 "appears to have been cut by about 80 percent." Fifty-seven percent of the U.S. defense budget is related directly to deterrence of the Soviet Union, including protection of Western Europe and Japan.

It is self-destructive for the United States to ignore the needs of its people and its future and waste tens of billions of dollars on unneeded defense spending. A range of defense experts have addressed the need to shift focus to the crisis at home:

erected before the Soviet Union crumbled. It is as outmoded as the Berlin Wall. The president is relying on this already outdated principle to avoid making essential investments in America's future.

Under the guise of sticking to the inadequate limit on domestic discretionary spending, the president insists that all spending increases he proposes, even in Head Start, be paid for

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"The United States has never been less threatened by foreign forces than it is today....By winning the Cold War...we have earned about a decade of freedom to reorient our foreign policy and concentrate our resources, energy and attention on dealing with the domestic crisis."

William Hyland, Editor, Foreign Affairs magazine; Director of Intelligence, State Department (1973-1975); Deputy Assistant to the President for National Security Affairs (1975-1977). New York Times, May 20, 1991.

"Now is the time to cut our military spending by 50% and invest that money in our schools, health care, and our economy. It's time to make America strong again, here at home and to lead to a better world."

William Colby, Former Director, Central Intelligence Agency (1973-1976), in statement for the Coalition for Democratic Values, February, 1992

"Defense outlays in 1996, in constant dollars, are currently projected to be at least 25% higher than 20 years earlier, under Richard Nixon in the midst of the Cold War. Such a defense program is not consistant with my view of the post-Cold War world....I believe it should be possible within 5 or 6 years, to cut military expenditures in half in relation to GNP, i.e. from 6% in 1989 to 3%. That would make available, in 1989 dollars and in relation to 1989 GNP, $150 billion per year--funds that could be channelled toward meeting the unmet needs of our own society."

Robert S. McNamara, Former Secretary of Defense (1961-1968) and President of the World Bank (1968-1981), in testimony before the House Budget Committee, July 30, 1991

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by cuts in other domestic programs. In FY 1993, the president manages to keep domestic discretionary spending under its cap only by cutting numerous important programs for families and children. Freezing domestic spending and shuffling dollars from one program to another does nothing to remedy the growing problems facing our nation's families and children.

To the extent the president concedes that defense spending cuts may be needed to cover his proposals, he proposes to use them to offset tax cuts, mostly for the affluent. The rich, of course, did wonderfully well in the 1980s while middle-income and poor persons bore the brunt of paying for the Cold War military buildup out of their declining incomes and government borrowing from their children's future. Fundamental fairness requires reinvesting the peace dividend in families rather than distributing it largely to the wealthy through tax cuts. And that peace dividend can be far bigger than the president proposes (see box, page 8).

Government Assistance for the Rich

The other major theme of the president's budget is using new tax breaks to give a lot to the affluent and a little to the middle class, while cutting programs that help the moderate-income families and the poor:

> o In the area of family economic support, the president should have proposed a refundable children's tax credit and a project to test a child support assurance system, as recommended by the bipartisan National Commission on Children. (See CDF Legislative Agenda, Fair Start.) Instead, the president proposes a personal exemption increase. It gives $310 to a family with two children if their income exceeds about $100,000, $280 if their income is over $50,000, $150 if income is between about $15,000 and $50,000; and zero if it is under about $15,000. About 25 percent of all children and their families will receive

nothing, including 50 percent of all black children and 45 percent of all Latino children. The president also wants to lower the capital gains tax rates. His proposal of a 45 percent exclusion would result in an average benefit of $18,750 per taxpayer in the highest income category (over $200,000). But for the poorest of all, AFDC recipients, the president has signaled the states that he will welcome their efforts to cut benefits for children.

- In higher education as well, the president proposes to allow a tax deduction for interest on student loans. For reasons like those that make the personal exemption increase so regressive (worth more to affluent than middle income households and worth nothing to lower income working families), this tax approach targets funds away from where they are needed. And he wants to cut (by $161 million) one of the direct student aid programs best targeted on the neediest students--the work-study program.

- Community development and affordable housing programs would be cut by more than 16 percent from 1992 levels. At the same time, the president proposes spending billions of additional dollars through tax breaks to help middle- and upper-income families buy homes. The federal government already provides very substantial tax benefits for mortgage interest and related deductions ($78 billion in 1990). This is four times what the federal government spends on housing programs for low-income households.

Major Entitlements in the President's Proposed FY 1993 Budget

	FY 1993 Current Policy (millions)	FY 1993 Proposed Amount (millions)	Change Proposed in Amount (millions)	Change Proposed in Amount (percent)
Food Stamps	$ 28,000.0	$ 28,002.0	$ 2.0	0.0%
Child Nutrition	10,662.0	10,479.0	-183.0	-1.7
AFDC & Child Support	15,442.0	15,273.0	-169.0	-1.1
Foster Care & Adoption	2,989.0	2,989.0	0.0	0.0
Medicaid	84,500.0	84,396.0	-104.0	-0.1
Total	$141,593.0	$141,139.0	-$454.0	-0.3%

Specific Programs

The chapters of this report discuss in detail the various Administration budget proposals affecting children and their families. Certain patterns emerge: the few existing proposals for significant spending increases typically are paid for by reductions in other effective programs, and in some cases the same program; and cuts in essential but less visible or less popular programs are particularly deep. Examples include: **Increasing Head Start Slots While Trying to Narrow Eligibility and Erode the Program's Quality:** President Bush proposes adding $600 million to the Head Start program. This is a welcome addition, a decent but inadequate start toward full funding of Head Start. The FY 1993 proposed increase would have to be more than tripled, to $2.1 billion, to keep on track towardfull funding by 1995 as promised by Congress and the President in the 1990 reauthorization law. Moreover, the president's proposal masks some very serious reductions. Contrary to the 1990

Dissecting the Alleged "$100 Billion" Investment in Children

The president's budget claims to "invest" more than $100 billion in children's programs in FY 1993, up from $60 billion in 1989. But the carefully selected $100 billion list contains about $80 billion for a handful of entitlement programs (such as Medicaid, Social Security, AFDC, and foster care) whose costs have risen automatically due to factors such as the recession, growing family dissolution, and inflation---particularly out-of-control health care inflation. These are trends for which the president has not previously taken credit. Other increases in these and other programs listed in the $100 billion mostly are the result of initiatives of Congress, acceded to by the president, and still fall far short of meeting the urgent needs of America's growing population of poor and at-risk children.

reauthorization act, the president's budget assumes that Head Start is only important to four-year-olds, not three- and five-year-olds who currently participate in the program as well. He also cuts $87.5 million intended for improving program quality, which would make it difficult to increase the very low salaries paid Head Start teachers. The president plans as well to cut $12 million for staff training, thereby undermining not only the quality of the program but also the opportunity for many of the

Children Do Not Need Any More Commissions. They Need Action And Leadership Now!

In his State of the Union address, the president announced that he will establish a new Commission on America's Urban Families to identify ways to "keep families together, strong and sound." Less than one year ago, the bipartisan National Commission on Children, one-third of whose members were appointed by the president, issued its comprehensive report, Beyond Rhetoric. The panel's recommendations provide the blueprint to "keep families together, strong and sound." Among the commission's key recommendations are a $1,000 refundable child tax credit, a child support assurance demonstration project, universal health insurance for pregnant women and children, expansion of health care programs that target services to underserved population, and Head Start for all eligible children--in effect the components of a Healthy Start, a Head Start, and a Fair Start for every American child.

Another new commission is not a substitute for action. And, the proposed commission ignores the fact that serious problems face our children nationwide, not simply in urban areas. A majority of poor children in this country live in suburban and rural areas. The president should join in moving beyond rhetoric to adopt the recommendations of the National Commission. He should have offered these recommendations in this proposed budget.

Note: To secure a copy of Beyond Rhetoric, contact the National Commission on Children, (202) 254-3800.

parent-staff members to improve their skills and their long-term employability.

Job Corps: In the midst of a recession that has hit the young particularly hard and when job training and job creation for poor youths are critical, the president's budget reduces overall funding for the successful Job Corps program by $46 million. It does this by cancelling three of six new Job Corps centers already announced by the Administration, discontinuing planning for additional new centers authorized by Congress in 1991, and other reductions in rehabilitation and renovation funds for existing centers.

Low Income Home Energy Assistance: The president proposes to cut funds for the LIHEAP program by $435 million (a decrease of nearly one-third), thereby reducing assistance to poor families unable to pay heating and cooling bills at a time of sharply increased need due to the recession.

Programs Proposed for Deep Cuts or Elimination: The president proposes eliminating the Juvenile Justice and Delinquency Prevention Act Program (currently funded at $68.6 million); the Public and Indian Housing construction programs (currently funded at $801 million); Supplemental Assistance to Facilities that Aid the Homeless (currently funded at $11 million); and the Family Unification Program (currently funded at $50 million). He also proposes to reduce by 18 percent the programs that fund renovation of boarded-up and uninhabitable housing units; to cut by 75 percent the Emergency Shelter Grant program; and to cut by 25 percent the Emergency Food and Shelter program. These proposals are made even though more than 1 million households

are on waiting lists for housing assistance, even though more than 100,000 children are homeless each night, and even though the numbers of children at risk of becoming homeless has continued to climb.

Programs Where No Outright Cuts Are Proposed But That Will Lose Ground to Inflation: Numerous programs are slated to fall behind the cost of living. The president proposes a total increase of only $8.4 million, less than 2 percent of the total FY 1992 funding level, in the 14 discretionary programs aimed specifically at protecting at-risk children. The Title IV-B Child

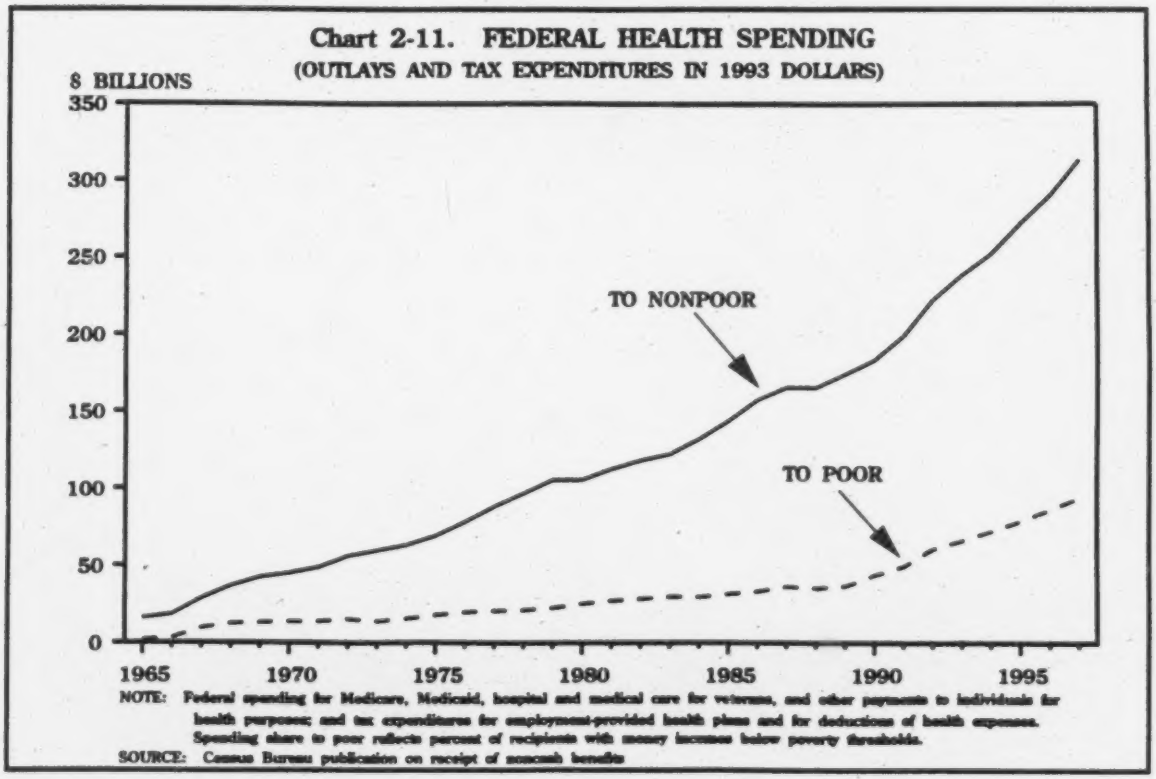
Chart 2-11. FEDERAL HEALTH SPENDING
(OUTLAYS AND TAX EXPENDITURES IN 1993 DOLLARS)
$ BILLIONS
350
300
250
200
150
100
50
0
TO NONPOOR
TO POOR
1965
1970
1975
1980
1985
1990
1995
NOTE: Federal spending for Medicare, Medicaid, hospital and medical care for veterans, and other payments to individuals for health purposes; and tax expenditures for employment-provided health plans and for deductions of health expenses. Spending share to poor reflects percent of recipients with money incomes below poverty thresholds.
SOURCE: Census Bureau publication on receipt of noncash benefits

Welfare Services Program, the largest of these programs, is frozen at $274 for the third year in a row. Chapter 1, the federal compensatory education program that helps local school districts serve economically and educationally disadvantaged children, will receive only a 2 percent increase in the president's budget.

The president's health proposals do little to address the problems American families are having in getting and keeping insurance and finding accessible, decent care. To a considerable extent, moreover, the president pays for his health insurance tax credits for the poor and middle-income by cutting current health assistance programs for the poor. Budget Director Darman has included a chart in the president's budget (see box, below) which demonstrates the disparities that already exist between federal health spending for the poor and the nonpoor. The president's proposal runs the risk of exacerbating this gap.

What Now?

The problems children and their families face are the problems of all of us. America's children are our future. That is why it is absolutely essential that the budgets for FY 1993 and future years focus on meeting the needs of children, reversing this decade of decline.

Fortunately for children, the president is not the last word on the budget. It is now incumbent upon Congress to provide the leadership that will assure that no child in America is left behind in their own nation and behind the children of other nations.

Congress must now do what we all know makes sense. Through the congressional budget and appropriations process, Congress must assure each child a healthy start, a head start, and a fair start. We cannot afford not to, if we care about America's future.

Children's Defense Fund

122 C Street, N.W.
Washington, D.C. 20001

Telephone (202) 628-8787

CDF'S 1992 PRIORITY LEGISLATIVE AGENDA

Being for children in 1992 means assuring that no child is left behind: that each child has a Healthy Start, a Head Start, and a Fair Start.

A HEALTHY START FOR EVERY CHILD: Every child and pregnant woman must have health coverage **now.** Congress must also assure that health insurance is not meaningless and that access is real by increasing funding for community and migrant health centers and the National Health Services Corps and assuring that all children are immunized.

A HEAD START FOR EVERY CHILD: Assure that funding for Head Start is guaranteed so that every eligible child can participate, similar to S.911.

A FAIR START FOR EVERY CHILD: Assure that every child's family has the resources to provide for his or her basic needs, including income from jobs at decent wages, a refundable children's tax credit and child support payments. The refundable children's tax credit, like that recommended by the bipartisan National Commission on Children, would equitably provide a modest basic amount per child through the tax system to every family with children. Congress must also act to establish a child support assurance demonstration project under which the government assures a minimum child support payment to any family where the absent parent is not meeting his support obligation---the government would then secure repayment from the absent parent.

FOUR ADDITIONAL ACTIONS ARE ESSENTIAL IN 1992:

- To assure that funds needed for children's programs in Fiscal Year 1993 and beyond are available, Congress must break down the budget walls between defense and domestic spending, reorder our nation's budget priorities, and assure that defense savings are used to fund investments in children and families.
- Passage of The Family Preservation Act, H.R.3603, and The Child Welfare and Preventive Services Act, S.4, aimed at preventing child abuse and neglect and strengthening and preserving families.
- Enactment of the Family and Medical Leave Act, to provide job-protected leave for workers who must care for newborn, newly adopted, or seriously ill children. (S.5, H.R.2)
- Passage of the Mickey Leland Childhood Hunger Relief Act, S.757 and H.R. 1202, which improves Food Stamp help for families with children by raising basic benefit levels and providing extra help to families with children with particularly high housing costs.

LEAVE NO CHILD BEHIND: For more information about these programs, contact CDF's Office of Government Affairs, (202) 628-8787.

GCU 846

Maternal and Child Health

Today, 25 million children fall outside of the mainstream of the health care system and do not have employer-based health coverage. If recent trends continue, only half of the nation's 66 million children in the year 2000 (and fewer than 20 percent of all black children) will have employer-based health insurance.

Even many who have insurance cannot get adequate care. Another 30 million Americans -- two-thirds of whom are children and women of childbearing age -- live in medically underserved communities with too few doctors and nurses and clinics to serve their health needs. The evaporation of comprehensive, affordable health care for children and their families demands fundamental national health care reform.

The President's Health Care Plan

President Bush's health care reform package offers very limited help to millions of American middle-income and poor uninsured children while it takes away from poor children in Medicaid. Tax deductions and credits cannot heal a child's strep throat or correct a vision problem. But the proposed cutbacks in Medicaid will make it even more difficult for poor children to get the health care they need.

The president's proposal offers a $3,750 tax break for health insurance costs for families earning less than $80,000 per year. The proposed tax deduction is regressive because it benefits higher income families more than it helps lower income families struggling to pay their health care bills. For a family of three or more earning $70,000 in the 28 percent tax bracket, the deduction is worth up to $1,050. However, for the same family

earning $25,000 and in the 15 percent tax bracket, the deduction is worth a maximum of $562.50. A head of household with one child would receive a $2,500 deduction -- worth $375 in tax savings to a family in the 15 percent tax bracket.

The president also proposes a health insurance tax credit for uninsured low-income children. Families with incomes less than 150 percent of the poverty level would be eligible for a new health insurance tax credit. While the credit would be $3,750 for the very poorest families with three or more members (too little to buy decent health coverage in many areas in the country), the tax credit is phased-down so that a family of three or more earning 150 percent of the poverty level (about $20,000 for a family of four) would receive just $375. A single parent with just one child earning about $13,000 would receive only $250 from the tax credit.

The details of the president's health insurance tax credit are still sketchy, but according to the Wall Street Journal, only families with incomes less than 50 percent of the poverty level (less than $7,000 per year for a family of four) would be eligible for the full credit during the first year -- families whose children are nearly all eligible for Medicaid now. Other poor families with children would receive a smaller tax credit, although they are far too poor to pay the difference between the credit and the cost of private health insurance.

To pay for the tax credits and deductions, the president proposes major cutbacks in the Medicaid program. His plan would cap Medicaid expenditures on a prospective basis with growth smaller than medical care inflation and shift the effect of rapidly

rising health care costs onto the states. The Administration's plan would alter the current federal-state arrangements that provide federal funding based on the actual cost of providing benefits to Medicaid recipients. The new system would give states a per capita payment that could rise no more than 2 to 4 percentage points above overall inflation for all items (between 1986 and 1991, for example, overall inflation averaged 4.96 percent and medical inflation was 9.03 percent), regardless of how much a state might actually provide for Medicaid beneficiaries or how high medical costs actually rise. Given the rapid rise in health care costs, the proposal simply would shift the effect of medical care inflation from the federal government to states, further increasing the pressure of Medicaid expenditures on state budgets.

Along with a cap on Medicaid expenditures, the president proposes to reduce the benefits for children and pregnant women in Medicaid. States would be allowed to offer them only a "basic" health plan, which provides far less than the coverage for current beneficiaries. Examples of "basic" plans proposed by the Administration would limit doctor visits to as few as three per year, would not include coverage for prenatal care (beyond the three visits), and would require copayments from poor families. Only low-income pregnant women and children, AFDC recipients, and people with disabilities would suffer these cutbacks, since the president's plan exempts all other Medicaid recipients (e.g., the elderly) and long-term care costs from this new system.

The president's proposal also gives a state the option to eliminate its current Medicaid program entirely and replace it with a new program based on the proposed tax credit. States would receive a lump sum payment from the federal government to provide a "basic" benefit package for the poor with none of the minimal protections now given to the poor by current federal law. Coverage of services such as prenatal care, and immunizations and well-child visits no longer would be required. The President's proposal also would eliminate coverage for millions of young children and pregnant women with incomes a little bit above the poverty level who are currently eligible for Medicaid.

Funding health insurance tax credits for uninsured families by cutting benefits from low-income children covered by Medicaid is tantamount to stealing from the poor to give to the destitute. American children need health care similar to the care given to children throughout the industrialized world, not tax credits. The president's inadequate proposals are funded by cynical cuts in benefits from politically powerless low-income children, pregnant women, and people with disabilities. Congress must reject the president's package and move forward on real health care reform.

The President's FY 1993 Budget

The Administration's budget claims to provide $9.3 billion to reduce infant mortality and $1.7 billion for childhood, immunizations. These figures are a gross exaggeration. For example, more than half of the total expenditures claimed by the Administration for infant mortality reduction are attributed to

the Medicaid program, far more than actual Medicaid spending on prenatal care services. The entire budget for the Special Supplemental Food Program for Women, Infants, and Children (WIC) also is included as infant mortality reduction, even though fewer than half of all WIC participants are pregnant women or infants. The Administration's figures for total childhood immunization funding include the entire budget for Healthy Start, an infant mortality prevention program; the entire Maternal and Child Health Services block grant, only a small portion of which supports immunization activities; and more than $500 million in Medicaid's Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) screening expenditures, of which immunization services represent only a tiny fraction of total costs.

In reality, the president's budget offers only modest resources and small gains for medically underserved communities, immunizations, infant mortality programs, and WIC. Much of the funding increases proposed by the Administration will be consumed by the rising cost of health care, leaving little to provide additional services for hard-pressed families.

Medicaid

Nearly 12 million children depend on Medicaid for their health care insurance. In addition to the devastating cuts proposed in his health care proposals, the president's budget also includes some other harmful changes in the Medicaid program.

The Administration's budget assumes a $60 million reduction in services for children by limiting the recently passed EPSDT reforms. In 1989 Congress passed sweeping reforms in the EPSDT

program, the pediatric component of Medicaid. Among the reforms was a requirement that states provide to children all medically necessary services allowed under federal Medicaid law, regardless of prior benefit limitations (such as low limits on hospital days per year). The president's budget seeks a $60 million cut in Medicaid by limiting the EPSDT mandate through regulations. The budget contains no description of what benefits the Administration will seek to reduce or how such regulations can fail to violate the Medicaid statute. If implemented, the change may unlawfully deny medically necessary services to thousands of Medicaid enrolled children.

The president also proposes to "block grant" and limit reimbursement to the states for Medicaid administrative costs. Currently, the federal government reimburses the states 50 percent of the costs of administering the program. Medicaid administration is already far more efficient than private insurance plans. Administration accounts for about 6 percent of Medicaid costs, compared with more than 15 percent in private plans. Turning federal support for Medicaid administrative costs into a block grant would lead to fewer eligibility workers and make it more difficult for eligible families to enroll in Medicaid. In fact, recent mandates for more eligibility workers outstationed in hospitals and clinics that serve a large number of low-income patients should require additional federal support for Medicaid administrative costs.

Childhood Immunizations

The president proposes a $51 million increase, from $298 million in FY 1992 to $349 million in FY 1993, for the Centers for Disease Control's childhood immunization program. The Administration also seeks a 65 percent cut (from $7.9 million to $2.8 million) in funding for the National Vaccine Program, which coordinates federal vaccine and immunization strategies.

Over the past decade, immunization rates have fallen in the United States while those in developing nations have improved rapidly. Today, the United States ranks behind 16 other nations in the proportion of infants immunized against polio. When the proportion of nonwhite infants is compared with those of other nations, the United States falls behind 69 countries, including Burundi, Cuba, Jamaica, and Trinidad and Tobago. Fewer than half of the nation's low-income, urban two-year-olds are adequately immunized.

As the president's own budget document points out, it is far better to pay $65 to immunize a child fully against preventable disease than to pay the roughly $7,000 it costs to hospitalize a child for a case of measles. Yet he proposes only modest new resources for immunization activities. The Administration budget request for immunizations is only enough to keep pace with the costs for universal hepatitis B vaccination and a new more expensive pertussis vaccine. It fails to provide enough resources to raise vaccination rates and assure that every child receives protection against preventable disease on schedule.

Medically Underserved Communities

The Administration budget proposes to increase funding for community health centers from $527.2 million in FY 1993 to $579.2 million plus an additional $44.8 million for infant mortality prevention activities in health centers. In addition, small increases are included for migrant health centers, homeless health care programs, the National Health Service Corps, the Title V Maternal and Child Health Services block grant, and family planning. The desires of the president's budget for health centers does not even keep pace with his Republican colleagues in the Senate, who have urged $2.8 billion in new funds over the next five years.

More than 30 million Americans live in urban and rural areas with too few doctors and clinics to meet their health needs. The community and migrant health centers and homeless health programs along with state and local public health programs often represent the only available source of medical care in underserved areas. Because of inadequate resources many underserved communities have neither health centers nor public clinics to serve their residents.

Infant Mortality

The centerpiece of the president's infant mortality reduction strategy is a $143 million, 15 site demonstration project called Healthy Start. The Administration's effort is a token effort when compared with the magnitude of the problem. Every state and every major city has an unacceptably high infant mortality rate, yet the president offers assistance to only 15

communities. According to the president's own Task Force on Infant Mortality, the infant mortality gap between the U.S. and Japan costs our economy $7 billion a year.

The president's Healthy Start initiative will provide sorely needed help for the selected grantees, but it will do nothing for the rest of the nation. The time has long passed for further studies and commissions and demonstration projects.

The Special Supplemental Food Program for Women, Infants, and Children (WIC)

The Administration's request for the WIC program in FY 1993 is $2.840 billion, up from $2.6 billion in FY 1992. WIC provides food and nutrition counseling to nutritionally at-risk pregnant women, infants, and children. After adjusting for inflation, the budget offers $157 million over current services.

The increase will serve an additional 300,000 participants. However, funding for the program will remain far below need. Only 5.1 million out of 8.6 million eligibles are served, even though the Department of Agriculture has found that every $1 invested in WIC for a pregnant woman can save more than $4 in Medicaid costs for mothers and their newborns.

Recommendations

As Congress moves forward on national health care reform, important investments must be made this year to assure an adequate safety net of services for maternal and child health. CDF recommends the following:

- Immediate expansion of Medicaid to cover all children and pregnant women with income below 200 percent of the poverty level. Additional cost: $1.25 billion in the first year, $2.5 billion when fully implemented.

- Create a universal vaccine program to assure that no child is denied vaccinations because his or her family cannot afford the cost. The first step towards that goal is a $100 million increase for the childhood immunization program to $398 million.

- Assure access to health care in medically underserved communities. Congress should appropriate $740 million for community health centers, $90 million for migrant health centers, $88 million for health care for the homeless projects, and $81 million for scholarship and loan repayment for the National Health Service Corps.

- Fully fund the Title V Maternal and Child Health Services block grant with at least $686 million. The MCH block grant is the principal funding source for state and local health department clinics that serve pregnant women and children.

- Put WIC on track to serve all eligibles by FY 1996 to assure that every child entering school in the year 2000 will have received the nutrition assistance needed during the preschool years. A $300 million increase above inflation, for a total appropriation of $3 billion, will be needed in FY 1993 to reach that goal.

Health: Funding and Budget Requests, FY 1981 - FY 1993
(in millions of dollars)

	MCH Block Grant	Community Health Centers	Migrant Health Centers	Family Planning	Immunization[1]	WIC	NHSC Scholarships and Loan Repayment[2]
FY 1981 actual	$456.7	$323.0	$43.2	$161.7	$31.0	$ 900.0	$63.4
FY 1982 proposed	347.5	--[3]	--[3]	--[3]	--[3]	637.5	0.0
FY 1982 actual	373.8	281.2	38.2	124.2	34.6	904.3	42.8
FY 1983 proposed	347.5	--[3]	--[3]	--[3]	28.9	637.5[3]	0.0
FY 1983 actual	373.0	295.0	38.1	124.0	39.0	1,160.0	15.8
FY 1984 proposed	373.0	--[3]	--[3]	--[3]	41.9	1,160.0	0.0
FY 1984 actual	398.0	337.0	42.0	140.0	41.9	1,360.0	6.3
FY 1985 proposed	407.0	--[3]	--[3]	--[3]	46.0	1,254.3	0.0
FY 1985 actual	478.0	375.0	45.3	142.0	54.0	1,500.0	2.3
FY 1986 proposed	478.0	--[3]	--[3]	--[3]	54.0	1,479.8	0.0
FY 1986 actual	478.0	400.0	45.4	143.0	57.0	1,580.5	2.3
After Gramm-Rudman	457.0	396.0	40.9	136.8	56.9	1,580.5	2.2
FY 1987 proposed	478.0	--[3]	--[3]	--[3]	56.0	1,617.0	0.0
FY 1987 actual	478.0	400.0	45.4	142.5	87.3	1,663.5	2.3
FY 1988 proposed	478.0	400.0	45.4	--[3]	94.0	1,687.5	0.0
FY 1988 actual	526.6	382.9	43.5	140.0	98.0	1,802.4	4.1
FY 1989 proposed	561.0	400.0[5]	44.4	140.0	102.0	1,871.9[6]	2.2
FY 1989 actual	554.3	414.8	45.6	138.3	142.0	1,929.4	7.9
FY 1990 proposed	554.3	414.8	45.6	138.3	138.0	1,961.4	8.0
FY 1990 actual	561.0	463.0	50.0	141.0	158.3	2,126.4	9.0
After Gramm-Rudman	553.6	458.9[7]	47.3	139.1	156.2[8]	2,126.4	8.9
FY 1991 proposed	553.6[9]	474.0[10]	48.4	139.1	152.7	2,215.2	63.9
FY 1991 actual	587.3[11]	478.2[12]	51.7	144.3	217.2	2,350.1	48.8
FY 1992 proposed	553.6[13]	478.2[13]	51.7	150.0	257.8	2,573.4	53.8
FY 1992 actual	650.0	527.2[14]	57.7	150.0	297.8	2,600.0	58.8
FY 1993 proposed	673.6	579.2[15]	60.0	154.6	349.1	2,840.0	76.0

	FY 1993 Current Policy	FY 1993 Proposed	Change from Current Policy	Percent Change
Medicaid	$84,500.0	$84,396.0	-$104.0	-0.3%

[1]Includes not just grants but also surveillance and stockpile funds.

[2]Not included are field placement funds, which are used for the later execution of legal obligations to pay NHSC staff salaries as they fulfill commitments secured by scholarships or loans.

[3]Proposed to repeal, include in block grant; funding would have been cut by 25 percent in FY 1982, increased by less than 1 percent in FY 1983, and remained level for FY 1984; the block grant proposed for FY 1985 would have shown a slight increase of 2.2 percent; the block grant proposed for FY 1986 would have been funded at FY 1985 levels; the block grant proposed for FY 1987 would have been funded $26.2 million below these programs' FY 1986 pre-Gramm-Rudman level and $8 million below the FY 1985 level; the block grant proposed for FY 1988 would have included the Family Planning Program and previously separate administrative costs; the combined amount ($146.0 million) would have been cut by $2.0 million.

[4]Proposed to repeal, include in Maternal and Child Health Block Grant; funding would have been cut by 30 percent.

[5]For base program; does not include $32 million proposed for an infant mortality initiative.

[6]Technically, the Administration's budget proposal consisted of a single request of $1,923.8 million for WIC and the Commodity Supplemental Food Program. The amount shown in the chart for WIC -- $1,871.9 million -- represents WIC's share of the $1,923.8 million request.

[7]FY 1990 actual includes $31.6 million (post Gramm-Rudman) for infant mortality projects to be distributed through community and migrant health centers.

[8]FY 1990 actual does not include $31.5 million emergency supplemental appropriation made in April 1990; this brings the actual FY 1990 total to $186.[illegible] million.

[9]FY 1991 proposed does not include $25 million proposed for a coordinated services (one-stop shopping) initiative.

[10]FY 1991 proposed includes $35.7 million for infant mortality project grants to be distributed through community and migrant health centers.

[11]FY 1991 actual does not reflect proposal to divert $34 million from the Title V MCH Block Grant and to "reprogram" it for a "Targeted Infant Mortality Initiative" in ten cities.

[12]Actual FY 1991 levels included funds to provide infant mortality reduction project grants to more than 200 health centers. The President's FY 1992 budget proposal would reprogram $24 million of FY 1991 appropriation to fund a "Targeted Infant Mortality Initiative" in health centers in ten cities.

[13]FY 1992 proposal would freeze funds for Community and Migrant Health Centers and Title V MCH Block Grant at levels reached after Administration's proposed diversion of more than $50 million for a new "Targeted Infant Mortality Initiative."

[14]Actual FY 1992 level does not include $10 million for comprehensive perinatal programs in community health centers.

[15]Proposed FY 1993 level does not include $44.8 million for comprehensive perinatal programs in community health centers.

HEAD START

Head Start is a child development program targeted to the nation's poorest preschool-age children. To help these children reach their full potential, the program offers a comprehensive range of services. Its four components--social services, health, education, and parent involvement--address children's and families' needs (ranging from housing and health care to emotional support and family counseling) that often pose obstacles to a child's full and healthy development. Head Start will serve approximately 621,000 children in 1992, about 30 percent of eligible children.

New data on the life circumstances and development of children in low-income families emphasize the importance of quickly expanding Head Start's enriched services. Poor children are more likely than other children to live in an environment that makes it difficult to develop and achieve.

Full funding to ensure that every eligible child can participate in Head Start is a goal shared by key business groups including the Business Roundtable, the National Alliance of Business, and the Committee for Economic Development, as well as policy makers, who see participation in Head Start as a major component of any school readiness agenda and any meaningful attempt to reach the national education goals. Head Start supporters and Congress also agree that providing good quality services is as important as expanding the number of children served.

In 1990, when Congress reauthorized Head Start and outlined a track leading to full funding by FY 1995, funds also were set aside to help alleviate the painful choices that programs were making between serving as many children as possible within their communities and cutting back on the quality of services offered

to children. President Bush signed this bill. However, Bush's proposed FY 1993 budget, while serving more children, would do so in part at the expense of program quality. He recommends adding $600 million to the program, a significant step forward, and claims that 158,000 additional children would be served. To reach this many children with $600 million, however, he proposes to skimp on the services children receive.

The president recommends altering Head Start's authorizing legislation, cutting $87.5 million out of $133.5 million targeted for quality improvements. This cut would prevent raising already low teacher salaries (the average Head Start salary is approximately $13,000 a year), hiring sorely needed additional staff to work with parents and children, and purchasing new buses or equipment. In addition, the president would cut $12 million out of $56 million for staff training. Training, which helps caregivers relate to young children, is especially important in Head Start. The program prides itself that more than one-third of staff are parents of current or former Head Start students.

Even if there were no quality cutbacks, $600 million would not be enough. If the president proposed $600 million increases for all future years, it still would be well into the 21st century before Head Start served all eligible three-to five-year-olds.

An even more ominous signal for children is the president's redefinition of the full funding target. He limits his goal to reaching all eligible four-year-olds, ignoring the promise he made to serve all three-, four-, and five-year-olds when he signed the Head Start Reauthorization Act in 1990. Head Start never has been limited to one age group of children. Many children need two years of Head Start experience. And one reason for Head

Start's success is the flexibility local programs have to determine how best to serve their particular community. This often translates into serving three-year-olds and sometimes infants and toddlers. Given the growing problems faced by low-income families, it is even more critical to reach children and parents with Head Start's special help as early as possible in a child's life. Child development experts also believe that age three is a critical period in a child's development and one in which preschool is exceedingly important.

In addition, the president recommends eliminating the Community Services Block Grant (CSBG). This also would have an adverse effect on the budgets of Head Start programs, since a large number of Head Start programs are operated by community action agencies funded by the CSBG.

Finally, the Administration totally ignores the need to expand the hours and months that Head Start services are available so that the program can serve the children of parents who work outside the home. For Head Start parents to work and be self-sufficient -- a goal embraced by the Administration -- they need more than a half-day program for nine months a year. The Administration supports the concept of Head Start programs using "wrap-around" funds from other child care programs to achieve a full-day/year-round experience. But Head Start directors report that, even when limited child care funds are available, the administrative complexity of combining different programs with different rules and regulations is a bureaucratic nightmare, and that Head Start funds should be expanded to serve this purpose.

Congress should ensure that all eligible children participate in Head Start by 1995 by guaranteeing that funds will be available for a high quality program that meets the needs of

children and families. The most effective way to achieve this goal is to pass S. 911, the School Readiness Act immediately. This bill would increase Head Start funding by $1 billion a year, achieving full funding by 1997, and would strengthen the program as well. CDF supports S. 911 but urges speeding up the process and ensuring full funding by 1995, starting with a $2.1 billion increase in FY 1993.

Child Care and Child Development

Good child care ensures that children are safe, healthy, and well nourished. It also provides them with the foundation they need to build toward success in school, helping assure that no child will be left behind.

For millions of American families, these goals are currently unattainable because of the shortage of affordable, quality child care. Out of sheer desperation, too many parents leave their children in situations that they realize are far less than satisfactory. Polls indicate that a growing number of parents are concerned about the quality of child care that their children receive. Low-income parents in particular face the painful choice between placing children in potentially harmful situations or forgoing work and training opportunities because they cannot afford child care.

The future of our nation depends on the strength of its young people. By 1995, the mothers of two-thirds of all preschool-age children and four out of five school-age children will be in the work force. The majority of these children will spend a significant part of their early years in child care settings. These settings must provide all children with the support essential to their growth and development.

The Child Care and Development Block Grant

In 1990 Congress passed and the president signed historic, comprehensive child care legislation. It included a combination of direct assistance to families and funds targeted to improve the quality and expand the supply of child care, as well as new tax credits that offered additional income support to low-income families. However, Bush fails to recommend full funding for the

Child Care and Development Block Grant, the cornerstone of the child care package. While a modest $100 million increase would bring the program up to its FY 1993 authorization level ($925 million), he proposes to add only $25 million, which would barely cover inflation.

Full funding is desperately needed. According to a recent study published by the U.S. Department of Labor, at least 1.1 million mothers were not in the work force in 1986 because they had problems finding child care. Poor mothers were twice as likely as non-poor mothers to face employment problems because of child care.

No Funds for Other Key Child Care Programs

The 1990 child care legislation also authorized an expansion to $50 million in Grants for Licensing and Monitoring, a special program to help states improve the quality of child care. These funds support important activities such as training for child care workers and hiring licensing inspectors to monitor child care programs. The president recommends zero funding for this program.

The expansion of school-age child care programs is an urgent need in many communities. Millions of children return home each day to empty houses. However, the president recommends eliminating $13 million for the Dependent Care Block Grant, a small program that has been successful in helping states expand the supply and improve the quality of school-age child care.

Child Care and Adult Food Program

The Child Care and Adult Food Program (CCFP) offers nutritious meals and snacks to young children and adults who are in day care settings. It has been especially important for family day care providers; it is one of the few programs that

provide special help to neighborhood providers.

The president recommends cutting this program by $200 million, approximately 15 percent, reducing support for many children in participating family day care homes. He recommends forcing providers to choose between an administratively complex means test or sharply reduced amounts for each meal and snack offered to young children. If providers do not elect to use a means test, children would receive $1.02 for each lunch (a 28 percent cut), 48.5 cents for each breakfast (a 38 percent cut), and 22.5 cents for each snack (a 47 percent cut).

Providers of family day care, the major source of child care for infants and toddlers, receive valuable support, including training and monitoring visits, when they participate in CCFP. The imposition of a means test and the resulting administrative burden will hurt the overall quality of care by causing many of these providers to drop out of the CCFP. Sponsors who are responsible for training providers, as well as coordinating the necessary paperwork, are already overburdened. A means test would result in a large new responsibility with no commensurate increase in reimbursement for significantly more administrative effort. The proposed reduction also would affect child care centers, which would receive less funding for children whose families earn more than 185 percent of the poverty level.

At the same time that the president recommends cutting the Child Care and Adult Food Program, the U.S. Department of Agriculture has proposed a new nutrition education initiative focused on low-income preschool-age children. In isolation, such an initiative is admirable, but it is difficult to understand how a family day care provider can teach nutrition education to young children who

are not receiving the well-balanced meals and snacks originally contemplated in the Child Care Food Program.

Title XX Social Services Block Grant

States use the Title XX Social Services Block Grant to help low-income families pay for child care as well as for a range of other human services programs. The president proposes no Title XX increase over FY 1992 funding levels, further eroding real funding for a program that, since 1975, has been cut and eroded by inflation to a level worth only about half its previous purchasing power.

Recommendations

Congress should appropriate $925 million for FY 1993 for the Child Care and Development Block Grant. In addition, $50 million should be appropriated to fund quality improvement activities through the Grants for Licensing and Monitoring Program and $13 million for the Dependent Care Block Grant. No changes should be made in the Child Care and Adult Food Program.

Child Care and Head Start: Funding and Budget Requests, FY 1981 - FY 1993
(in millions of dollars)

	Head Start[1]	Child Care and Development Block Grant	Non-AFDC "At Risk" Child Care	AFDC Child Care[2]	Child and Adult Care Food Program	Social Services Block Grant/ Title XX
FY 1981 actual	$ 820.0	--	--	--	$ 295.0	$2,991.8
FY 1982 proposed	911.7	--	--	--	242.8	--[3]
FY 1982 actual	911.7	--	--	--	270.5	2,460.0
FY 1983 proposed	912.0	--	--	--	--[4]	1,974.1
FY 1983 actual	912.0	--	--	--	335.2	2,456.0
FY 1984 proposed	974.7	--	--	--	--[4]	2,560.0
FY 1984 actual	995.0	--	--	--	378.1	2,700.0
FY 1985 proposed	995.0	--	--	--	--[4]	2,700.0
FY 1985 actual	1,075.1	--	--	--	434.9	2,725.0
FY 1986 proposed	1,075.1	--	--	--	322.3	2,700.0
FY 1986 actual	1,087.1	--	--	--	475.8	2,700.0
After Gramm-Rudman	1,040.1	--	--	--	475.8	2,583.9
FY 1987 proposed	1,075.0	--	--	--	338.1	2,700.0
FY 1987 actual	1,130.5	--	--	--	551.3	2,700.0
FY 1988 proposed	1,150.0[5]	--	--	--	373.6	2,700.0
FY 1988 actual	1,206.3	--	--	--	580.1	2,750.0
FY 1989 proposed	1,206.3	--	--	--	641.2	2,700.0
FY 1989 actual	1,234.9	--	--	$ 17.2	668.5	2,700.0
FY 1990 proposed	1,485.0	--	--	163.0[6]	757.0[7]	2,700.0
FY 1990 actual	1,405.0	--	--	n/a	n/a	2,800.0
After Gramm-Rudman	1,386.3	--	--	206.0[6]	803.9	2,762.2
FY 1991 proposed	1,886.3	$750.0	--	489.0[6]	499.4	2,800.0
FY 1991 actual	1,952.0	731.9	$216.2	320.7	916.7	2,800.0
FY 1992 proposed	2,052.0	732.0	300.0	433.0[8]	1,194.5	2,800.0
FY 1992 actual	2,201.8[9]	825.0	383.8	340.0[9]	1,173.4	2,800.0
FY 1993 proposed	2,801.8	850.0	300.0	381.0	1,170.5[10]	2,800.0

Note: n/a = actual appropriation data not available.

[1]Head Start lost an estimated 6,000 employees when CETA Public Service Employment was eliminated for FY 1982.

[2]Child care funds under the Family Support Act of 1988 are authorized as an entitlement to AFDC parents participating in approved education and training or needing child care to accept or retain employment.

[3]A large number of programs were proposed for inclusion in the Social Services Block Grant; total funding for the block grant would have been cut by 25 percent.

[4]Proposed to repeal, include in block grant; funding would have been cut by 27 percent in FY 1983, by 30 percent in FY 1984, and by 4 percent in FY 1985. For FY 1984 and FY 1985, the Head Start portion of CCFP would have been transferred to the Head Start budget.

[5]Although a $20 million increase was discussed, Head Start was included in a proposed generic appropriation to 27 programs whose total budget would have been $69 million below FY 1987 costs for the programs.

[6]U.S. Department of Health and Human Services estimate.

[7]This is the figure reported in the Department of Agriculture appropriations bill for FY 1990.

[8]Funding is open-ended; figure represents anticipated state requests.

[9]Estimated.

[10]The administration's proposed FY 1993 funding reflects a $200 million cut from what would be spent if the current law were left unchanged.

Family Income Supports

Even before the current recession, the federal safety net to help low-income families was woefully inadequate. Now, despite high unemployment and continued economic hardship, President Bush's budget offers no significant steps to strengthen basic job and income supports for poor families with children -- and endorses several proposals to undermine them.

The Administration's primary response to the loss of jobs and income during the recession now is another temporary extension of unemployment benefits. Last year benefits were extended only after two presidential vetoes and intense pressure by Congress. While these extensions are essential, President Bush offers no strategy for helping the millions of jobless workers and their families who fail to qualify for unemployment benefits because of unduly restrictive eligibility requirements. Similarly, the Administration's budget includes little in the way of recommendations to strengthen the other income support and job training programs upon which many poor families rely in times of need.

Aid to Families with Dependent Children (AFDC)

The nation's main income support program for poor families with children, AFDC, has been undermined severely by the federal government's unwillingness to ensure that benefits keep pace with inflation and by federal and state budget cuts during the 1980s. Rather than repairing this basic safety net for families and children, the Administration's budget includes one proposal that could weaken further the AFDC program and one modest improvement.

Waivers for State AFDC Experiments

The president's budget invites states to seek waivers of current AFDC law in order to conduct "demonstration" programs that have the effect of reducing benefits and eligibility. By encouraging states to submit plans for sweeping, statewide changes in AFDC that are far larger in scope than what is necessary to test new approaches, and by ruling out new approaches that would in fact strengthen the safety net, the Administration fails to ensure that state experiments under the waivers are legitimate and appropriate. The waivers contain virtually no protections for children affected by such projects, threatening to use children as "human guinea pigs" without making the additional investments necessary to help them live better lives.

If adopted on a broad scale, waivers become a back door way of allowing states to rewrite the basic AFDC rules established by Congress in federal law. More demonstrations motivated by state efforts to cut AFDC costs will not improve the AFDC system. Many of the shortcomings of the AFDC program are recognized broadly. For example, meaningful work incentives are undermined by AFDC regulations that take away through reductions in benefits most of what recipients earn. Because waiver requests cannot increase AFDC costs, however, such obvious problems cannot be addressed under the president's approach.

Raising Asset Limits for AFDC Families

The Administration's budget does contain a constructive proposal to allow states to increase to $10,000 the current $1,000 asset limit applied in the AFDC program. This proposal

now before Congress encourages AFDC families to save, and allows them to retain assets -- such as a modest car that will provide reliable transportation to work -- that will give them the tools they need to stay afloat when they leave the AFDC rolls.

Unfortunately, the proposal is limited to AFDC recipients, and does not apply to AFDC applicants. Particularly during a recession, when many newly unemployed families seek temporary help from AFDC to get back on their feet, applicants should not be required to divest themselves of assets such as cars that help them remain employable and leave the rolls quickly.

Child Support Enforcement

Federal child support enforcement efforts, another essential strategy for bolstering the incomes of single-parent families with children, have improved considerably in recent years. Yet federal policies and state efforts still fall far short of ensuring support from absent parents in most states.

Incentives for State Child Support Enforcement

The Administration proposes some positive changes in the current set of federal financial incentives designed to encourage effective state child support enforcement. First, it proposes to require states to reinvest their incentive payments in programs that benefit the welfare of children, a practice some states already follow but others ignore. Second, the Administration's budget would alter incentive payments to reward states for performance in areas such as establishing paternity or support obligations, an important shift to prevent states from focusing their efforts solely on cases in which a child support order

already exists and collections are relatively easy to pursue.

Within the fine print of the Administration's proposals, however, are troubling indications that state incentives also would be reduced considerably. Budget projections for FY 1993 show federal expenditures on child support dropping significantly -- by $462 million -- at a time when one of the major barriers to successful enforcement is the underfunding and understaffing of child support enforcement agencies. Such funding reductions will hamper effective enforcement and hurt those children who now are shut out of the system.

Child Support Enforcement Application and User Fees

The President's budget also seeks to require an application fee of $25 for non-AFDC families seeking child support services (replacing state discretion to set the fee at any amount up to $25) and a $25 user fee for such families if support actually is collected. These fees would prevent many poor families from seeking child support help and require already overwhelmed child support agencies to divert energy to tracking users' fees rather than non-paying parents.

Food Stamps

The food stamp program is an entitlement program that helps meet the basic food needs of low-income American families. Food stamps often are the only federal aid that poor workers and their children receive. They also provide an important supplement to low wages or to terribly inadequate AFDC benefits for families with few or no earnings.

Because food stamp benefits have lagged behind the true cost of maintaining a nutritionally adequate diet, key congressional committees are considering a series of steps to strengthen the program in important ways. The Mickey Leland Childhood Hunger Prevention Act (S. 602/H.R. 1202) would bolster assistance to low-income families with children by raising basic benefit levels and providing extra help to families with high shelter costs.

The Administration's budget fails to provide such positive steps, proposing instead a harmful new restriction on food stamp eligibility. For the second straight year, the president proposes to phase in a rule making cooperation with child support enforcement a condition of food stamp eligibility. (The rule would exist as an option until 1995.)

At a time when most state child support enforcement systems cannot handle their current caseloads adequately, there are more effective ways to increase child support efforts among food stamp families, including expanded outreach to encourage voluntary participation, reasonable financial incentives for cooperation, and waivers of child support fees and costs for such families. The cooperation requirement is unlikely to advance the child support effort, but it will create another barrier to poor families' participation in the food stamp program.

Low Income Home Energy Assistance Program (LIHEAP)

Despite the economic hardships that have accompanied the current recession, the Administration's budget again advances a proposal to cut LIHEAP funding by nearly one-third, from $1.5 billion in FY 1992 to $1.065 billion in FY 1993.

The U.S. Department of Health and Human Services purports to justify the cut by saying that "LIHEAP was never intended to meet the entire home energy costs of low-income households." This is simply misleading. Even at current funding levels, a typical family receiving help through LIHEAP still must spend between 15 and 20 percent of its total non-LIHEAP income on energy bills--$1.5 billion is, afterall, less than $50 per poor person in the United States. LIHEAP funding already had fallen by FY 1991 to half of its inflation-adjusted FY 1985 level, and the need for home energy assistance certainly has grown as a result of the recession.

Job Training Programs for Youths

Young adults not going on to college -- including high school graduates and dropouts -- need effective job training to help them get started in the labor market. Yet the Administration's budget proposes no additional investments in training for American workers and largely fails to acknowledge that a well-educated and well-trained work force is a prerequisite for this nation's productivity, growth, and economic prosperity.

Job Corps

Despite the Job Corps' proven record of success and cost-effectiveness, the program now serves only an estimated one in seven poor high school dropouts who are unemployed or out of the labor force. The Administration's budget provides no plan for expanding the Job Corps to reach additional numbers of severely disadvantaged youths. It also seeks to reduce funds for repair and renovation of the program's residential

centers, although the $170 million backlog in essential Job Corps construction projects already identified by the U.S. Department of Labor means that further cuts threaten the very safety and integrity of Job Corps facilities.

By proposing to cancel three of six new Job Corps centers already planned by the Labor Department, and by seeking to discontinue planning for additional new centers authorized by Congress in 1991, President Bush also is attempting to derail an incremental approach to Job Corps expansion that has been designed carefully and endorsed broadly by congressional leaders and outside experts.

JTPA Youth Programs

The Job Training Partnership Act (JTPA) is the major source of federal support for job training programs for youths and adults. The Administration's budget renews several constructive proposals to improve JTPA. It seeks to establish a separate youth program within JTPA, rather than mixing funds for youths and adults as under current law, and to create a Youth Opportunities Unlimited (YOU) program that would channel additional training funds to impoverished inner-cities and rural areas.

Unfortunately, these positive proposals are not accompanied by the funding increases necessary to ensure their success. An increase of $300 million in funds for the youth training title of JTPA, originally proposed by the Administration two years ago, was deleted last year and again is absent from this year's budget. Proposed funding for the new YOU program is set at $25 million for FY 1993, an amount sufficient to establish projects

in only a handful of communities with high poverty rates. Overall JTPA funding for both youth and adult training under the Administration's budget would be slightly below last year's levels, failing even to keep pace with inflation and offering no response to the new realities of the work force and the global economy in the 1990s.

Recommendations

Congress should strengthen and approve constructive proposals advanced by President Bush to increase asset limits within AFDC, improve incentives for state child support enforcement, and create new and more focused youth training initiatives. In addition, Congress should build upon past progress by enacting key food stamp improvements and increasing funding for Job Corps and JTPA youth training initiatives. Most important, Congress should help all families, especially poor and middle-income families, meet the basic needs of their children by enacting a refundable children's tax credit as proposed by the bipartisan National Commission on Children, Sens. Gore and Bradley, and Rep. Downey, among others.

In response to a series of discredited proposals for budget savings offered again in the Administration's budget, Congress should reject major cuts in LIHEAP funding, new requirements for child support cooperation in the food stamp program, budget cuts and mandatory application and user fees for non-AFDC families seeking child support enforcement services, and cuts in essential repair and renovation funds for Job Corps centers.

Employment and Income Support: Funding and Budget Requests, FY 1981 - FY 1993
(in millions of dollars)

	CETA/ JTPA[1]	JTPA Basic Block Grant to States[2]	CETA/ JTPA Summer Youth[2]	JTPA Adult Training[2]	JTPA Youth Training[2]	Job Corps[2]	WIN	AFDC[3] (JOBS)	Food Stamps
FY 1981 actual	$7,143.0	--	$900.0	--	--	--	$365.0	--	$11,470.0[4]
FY 1982 proposed	3,567.0	--	--	--	--	--	--	--	9,756.0
FY 1982 actual	3,023.2	--	720.6	--	--	--	268.6	--	11,079.3[4]
FY 1983 proposed	2,387.0	--	724.5	--	--	--	11.4	--	9,531.1
FY 1983 actual	3,990.4	--	824.5[5]	--	--	$621.7	270.8	--	11,989.7
FY 1984 proposed	3,643.3	--	724.5	--	--	585.6	0.0	--	10,901.3
FY 1984 actual	3,605.2	$1,886.2	724.5	--	--	599.2	270.8	--	11,722.9
FY 1985 proposed	3,610.6	1,886.2	637.5	--	--	600.0	0.0	--	10,780.9
FY 1985 actual	3,748.7	1,886.2	824.5[5]	--	--	617.0	266.8	--	11,743.0
FY 1986 proposed	2,805.5	1,886.2	664.5	--	--	0.0	0.0	--	11,855.8
FY 1986 actual	3,461.0	1,863.2	664.5	--	--	640.0	220.0	--	11,764.9
After Gramm-Rudman	3,312.3	1,783.1	636.0	--	--	612.5	210.5	--	11,762.3
FY 1987 proposed	2,909.6	1,820.0	428.0	--	--	351.7	0.0	--	11,518.6
FY 1987 actual	3,656.0	1,840.0	750.0	--	--	656.4	126.0	--	11,793.3
FY 1988 proposed	3,285.5	1,783.0	650.0	--	--	651.7	0.0	--	11,684.6
FY 1988 actual	3,757.3	1,809.5	718.1	--	--	716.1	92.6	--	12,638.9
FY 1989 proposed	3,430.8	1,809.5	718.1	--	--	710.6	0.0	--	12,519.7
FY 1989 actual	3,737.8	1,787.8	709.4	--	--	741.8	91.4	--	12,859.5
FY 1990 proposed	3,857.7	1,787.8	709.4	--	--	761.6	--	$ 350.0	13,364.5
FY 1990 actual	3,984.7	n/a	n/a	--	--	n/a	--	369.0	15,527.7
After Gramm-Rudman	3,929.0	1,744.8	699.8	--	--	802.6	--	369.0	15,527.7
FY 1991 proposed	3,770.0	--	--	$ 965.5	$1,769.0[6]	818.0	--	880.0	15,406.7
FY 1991 actual	4,079.5	1,778.5	682.9	--	--	867.5	--	880.0	18,735.9
FY 1992 proposed	4,031.7	--	--	1,088.0	1,337.6[6]	867.5	--	1,000.0	19,650.0
FY 1992 actual	4,029.2	1,773.5	495.2	--	--	955.1	--	1,000.0	22,648.8
FY 1993 proposed	4,136.5	--	--	1,084.2	1,332.9[6]	909.5	--	1,000.0	22,704.5[7]

	FY 1993 Current Policy	FY 1993 Proposed	Change From Current Policy	Percent Change
AFDC and child support	$15,442.0	$15.273.0	-$169.0	-1.1%

Note: n/a = actual appropriation data not available.

[1]The Comprehensive Employment and Training Act (CETA) was replaced by the Job Training Partnership Act (JTPA) in FY 1984. The CETA appropriation in FY 1981 included $2.195 billion for public service employment, which was eliminated in FY 1982.

[2]These five individual columns are also included in the CETA/JTPA total column.

[3]Totals for the JOBS program reflect authorized ceilings for entitlement funding. Actual federal expenditures for JOBS totaled $148 million in FY 1989, $265 million in FY 1990, $546 million in FY 1991, and $832 million in FY 1992. The administration's estimate for outlays in FY 1993 is $885 million.

[4]Actual food stamp funding levels shown here for FY 1981 and FY 1982 include funds for the food stamp program in Puerto Rico through June 30, 1982. Food stamp funding levels for other years do not include Puerto Rico, since the food stamp program in Puerto Rico was ended on June 30, 1982 and replaced by a nutrition block grant.

[5]Includes supplemental appropriation.

[6]A separate youth title in JTPA is proposed by the Bush Administration as a change in authorizing legislation, combining youth funds from the basic block grant to states with those from the Summer Youth Employment Program. Administration budget requests also include $25 million in FY 1993 for proposed new Youth Opportunities Unlimited (YOU) program for inner cities and poor rural areas.

[7]Administration budget requests include a $5.3 billion "benefit reserve" for the Food Stamp Program in FY 1993 to ensure that adequate funds are available in the event that caseloads remain high or increase during the coming year.

Housing and Homeless Programs

Millions of American families with children live today in apartments and houses that consume too much of their family income -- in 1989 nearly one-third of all moderate-income renters spent more than the recommended portion of their income for housing. Millions live doubled-up with friends and family or in substandard and dangerous conditions, perilously close to homelessness. And every night, 100,000 children go to sleep homeless, the most visible victims of the housing crisis facing American families.

Housing programs for low-income families have been slashed -- funding for subsidized housing programs fell by 81 percent between FY 1978 and FY 1991. The core of the Bush Administration's FY 1993 budget proposal for housing is more deep cuts in programs that help low-income families -- community development and affordable housing programs would be cut by more than 16 percent from 1992 levels. At the same time, President Bush proposes spending billions of additional dollars through tax breaks to help middle- and upper-income families buy homes. This will only exacerbate the current imbalance -- mortgage interest and related deductions that give far more help to the affluent than to the middle-class and give low-income families no help at all cost the federal government an estimated $78 billion in 1990, more than four times the amount spent on housing programs for low-income households.

Public and Assisted Housing

In 1989 there were 5.5 million low-cost housing units nationwide, and 9.6 million low-income households in need of such units, according to the Center on Budget and Policy Priorities and the National Low Income Housing Information Service. Millions of poor families are forced to live in housing they cannot really afford, and yet get no federal or state help with their housing costs. Only 22 percent of poor households get any kind of housing assistance (including those who live in public housing). The National Association of Housing and Redevelopment Officers estimates that more than one million households are on waiting lists for housing assistance around the country -- and that number would be much higher if waiting lists weren't closed in many cities.

The president's proposals would make it harder for poor families to get the help they need. He would:

- Eliminate the public and Indian housing construction programs entirely (now funded at $801 million);
- Limit the availability of public housing by making deep cuts ($509 million out of $2.8 billion) in funds used to renovate boarded up and uninhabitable units, and in public housing operating funds (cut by $168 million out of $2.5 billion);
- Eliminate the new Family Unification Program, now funded at $50 million, which would provide Section 8 housing assistance to families whose children are at risk of placement into foster care, or cannot come home from foster care, because their families are homeless or lack adequate housing.
- Cut the Community Development Block grant, which funds local community development programs, by $500 million (from $3.4 billion).

The president does propose to spend $1 billion on the HOPE

programs, designed to help low- and moderate-income families purchase their homes (up from $361 million in FY 1992). Of the additional funds, $289 million will be targeted to homeownership among public and Indian housing residents. This is a worthy goal, as long as housing is available for other low-income families. But by taking affordable units off the market through Homeownership and Opportunity for Everywhere (HOPE), while dramatically reducing all other major forms of housing help for low-income families, the president merely deepens the affordable housing crisis.

Rural Housing

In 1987 almost 5 million rural households -- out of 18 million -- spent more than the recommended 30 percent of their income for housing, and 1.8 million rural households lived in substandard housing. But the Bush Administration proposes to cut already inadequate rural housing programs by 27 percent, including deep cuts in grants for repair for very low-income housing rural rental assistance, and domestic farm labor housing.

Lead Paint Abatement

Children are poisoned by lead in the air, water, and the paint and paint dust in their homes. Lead poisoning is devastating to children, particularly young children, causing developmental delays, disabilities, and sometimes death. The Department of Health and Human Services estimates that 3 million to 4 million children younger than six have dangerously high levels of lead in their blood.

To combat this serious problem, the Administration proposes

an increase of $19 million for a Lead Poisoning Prevention program that provides grants to states to screen children for lead poisoning, refer families for treatment, and educate the public about lead poisoning. At the same time, however, the president would cut by more than 75 percent the only federal programs targeted to removing lead from children's environments. The Lead Paint Abatement Demonstration program, which helps remove lead in public housing units, would be cut by one-half -- to $23.9 million, and the budget assumes that none of that money will be spent in FY 1993. In addition, the Administration proposes no funding at all for a $50 million program to remove lead from privately owned low- and moderate-income housing units. Increasing funds to screen children while reducing funds to abate the lead in their housing transforms an initiative into a cruel irony.

Programs for Homeless Children

Homeless families with children now make up 35 percent of the homeless population nationwide. Demand for shelter for homeless families has increased in four out of five cities surveyed by the U.S. Conference of Mayors, and three out of four cities report that families sometimes are turned away from shelter because there is no room. Homelessness threatens children's health, development, and educational achievement, and often results in the separation of children from their parents.

The president would cut or eliminate many of the programs that provide badly needed emergency shelter to homeless families and their children. Although the president's budget claims that cuts

in funding for emergency programs are being made in order to focus on longer term solutions, the deep cuts proposed in low-income housing belie that assertion. Until adequate low-income housing is available, families must be assured safe emergency shelter. The president proposes to:

- Cut the Emergency Shelter Grant program, which since 1986 has provided assistance to more than 2,000 shelters around the country, by more than 75 percent;
- Eliminate the $11 million Supplemental Assistance to Facilities that Aid the Homeless program (SAFAH), which funds a range of services for homeless families, including child care services;
- Cut the Emergency Food and Shelter program, which supports almost 10,000 local providers, by 25 percent; and
- Restrict the use of AFDC/Emergency Assistance funds for emergency shelter to 30 days, even if families have not found permanent housing yet.

Fair Housing Enforcement

In 1989 the Fair Housing Amendments Act extended federal protections against housing discrimination to families with children as well as to people with disabilities. In the two years after the law took effect, complaints to The U.S. Department of Housing and Urban Development (HUD) surged, including more than 12,000 complaints of discrimination against families with children. HUD's Fair Housing Initiatives and Fair Housing Assistance Programs provide important assistance to state and local agencies and private organizations that accept complaints and monitor and enforce these laws. These programs have been virtually frozen since FY 1990 and the president now proposes a cut from $13 million to $12.4 million.

Recommendations

The federal government must commit to ending homelessness and its devastating impact on children and families, and to alleviating appalling housing cost burden on low-income families, by ensuring that housing assistance is available to all low-income families that need it and that appropriate emergency services are available for those families who do become homeless.

In FY 1993 Congress should:

- Begin to expand housing assistance funds so that all low-income families can live in decent and affordable housing by the year 2000;
- Provide $100 million for the Family Unification Program and extend eligibility to families in all states and the District of Columbia;
- Fully fund programs that provide emergency services for homeless families and children, such as the Education for Homeless Children and Youth and Health Care for the Homeless programs;
- Increase funding to prevent housing discrimination against families with children and ensure enforcement of the Fair Housing Amendments Act.

Housing and Homelessness: Net New Budget Authority, FY 1981 - FY 1993
(in millions of dollars)

	Public, Indian, and Section 8 Housing[1]	Family Unification[2]	Emergency Food and Shelter Program	Education for Homeless Children and Youth	Health Care for the Homeless
FY 1981 actual	$26,689	--	--	--	--
FY 1982 proposed	34,663	--	--	--	--
FY 1982 actual	16,553	--	--	--	--
FY 1983 proposed	6,129	--	--	--	--
FY 1983 actual	12,873	--	$100.0	--	--
FY 1984 proposed	7,966	--	0.0	--	--
FY 1984 actual	12,727	--	110.0	--	--
FY 1985 proposed	9,103	--	0.0	--	--
FY 1985 actual	10,707	--	20.0	--	--
FY 1986 proposed	1,392	--	0.0	--	--
FY 1986 actual	9,940	--	70.0	--	--
After Gramm-Rudman	9,537	--	70.0	--	--
FY 1987 proposed	2,300	--	0.0	--	--
FY 1987 actual	7,829	--	125.0	--	--
FY 1988 proposed	3,920	--	80.0	--	--
FY 1988 actual	8,307	--	114.0	$ 4.6	$60.4
FY 1989 proposed	6,887	--	80.0	0.0	15.0
FY 1989 actual	6,961	--	114.0	4.8	14.8
FY 1990 proposed	6,593[3]	--	114.0	5.0	14.8
FY 1990 actual	n/a	--	132.0	7.5	46.0
After Gramm-Rudman	7,223	--	130.0	7.4	45.3
FY 1991 proposed	13,426[4]	--	125.0	7.5	45.6
FY 1991 actual	7,156	--	134.0	7.3	50.9
FY 1992 proposed	9,066	--	100.0	--[5]	63.0
FY 1992 actual	11,134	$50.0	134.0	25.0	56.0
FY 1993 proposed	8,368	0.0	100.0	25.0	68.0

Note: n/a = actual appropriation data not available.

[1]Includes administrative contracts for public housing, Indian housing, and Section 8 programs.

[2]Included in Section 8 total; program enacted in FY 1991.

[3]Reagan budget proposal.

[4]$7.7 billion of increase attributable to renewal for five years of low-income rental subsidies otherwise expiring in FY 1991.

[5]The Administration proposed combining this program with several others, reducing total funding by about 50 percent, and moving jurisdiction to HUD from the Department of Education.

Children and Families in Crises

Millions of children and adolescents across the country experience crises that threaten stable family life and often their emotional and physical well-being, as well. Growing poverty, homelessness, unemployment, and substance abuse have contributed to significantly increased numbers of families in need and overwhelming demands on service systems. Our child-serving systems also are in crisis, and often can only attempt to pick up the pieces after crises shatter families, rather than invest in help to prevent such crises.

An estimated 2.5 million children were reported abused or neglected in 1990, an increase of almost 150 percent since 1979. The number of children in foster care grew almost 50 percent in the three-year period preceding FY 1991. Almost half a million children run away each year, often from troubled family situations. An estimated two-thirds of children with serious emotional disturbances do not get the help they need.

Despite the president's State of the Union commitment to "keep families together, strong and sound," the FY 1993 budget leaves behind these most vulnerable children and families. In many cases, the president fails to commit, for the third year in a row, any new dollars to help children, adolescents, and families get the essential supports they need. Although the president also pledged to "invest in fighting violent street crime," he fails to recognize the important role that investments in troubled youths play in that strategy.

With virtually no new funding proposed to help states cope

with even the emergencies they face daily, the nation's most vulnerable children and their families -- and the child-serving systems designed to help them -- will continue to be in a state of crisis. Their needs will not go away, but will grow in intensity and cost and will require significant remedial expenditures in the future, some of which could be prevented by investments now.

Lack of services to protect children and strengthen families

The president's FY 1993 budget proposes virtually no new funds for critical programs that keep some of our most vulnerable families together and protect children's safety. A total increase of only $8.4 million, less than 2 percent of the combined FY 1992 funding level, is requested for the 14 discretionary programs aimed specifically at protecting at-risk children. The Title IV-B Child Welfare Services Program, the largest of these programs, will be frozen at $274 million for the third year in a row.

The president also proposes to eliminate the Family Unification Program, which was funded by Congress at $50 million for FY 92 to offer housing assistance to families whose children are at risk of placement in foster care due to homelessness or other housing problems.

The president's budget purports to establish a new Comprehensive Child Welfare Services Program, which could be used for family preservation and other critical services. In reality, however, the program uses dollars already committed by states for administration, training, and child placement activities for children in foster care or at risk of placement. These dollars, from the Title IV-E Foster Care and Adoption Assistance programs,

which are currently available to states on an open-ended entitlement basis, would be repackaged in the president's new grant program and would be capped, preventing adequate service responses to growing demands.

The president does take some steps to help promote the adoption of children with physical, mental, and emotional problems and other special needs. The president proposes to reinstate the one-time tax deduction for parents who adopt special needs children and to increase it from $2,500 to $3,000 a year. This will help pay for some of the nonrecurring costs of adoptive parents whose incomes are high enough that they have income tax liability. Even more useful is a proposed increase in the federal Adoption Assistance Program of $39.4 million (taking it to $241.3 million) to provide ongoing adoption assistance for children with special needs. Unfortunately, funds were not increased for several small programs designed to expand outreach efforts to find adoptive families for children and to offer post-adoption services as necessary for families who are adopting children with special needs, including children suffering from the effects of drug exposure at birth.

Reductions or Small Growth in Mental Health and Substance Abuse Prevention and Treatment Services

The unmet needs of children and adolescents with serious emotional disturbances have been documented by numerous national task forces and commissions for well over a decade. When they go unmet, the needs of these children intensify and cost more later. The president's FY 1993 budget, however, fails to increase either the Alcohol, Drug Abuse and Mental Health Block Grant, which can be used for a range of community-based and residential treatment

services. Nor does it increase the Child and Adolescent Service System Program (CASSP), which includes funding to promote interagency collaboration on behalf of children with serious emotional problems who too often fall between the cracks of the child welfare, mental health, education, and juvenile justice programs. The proposed elimination of the $20 million Protection and Advocacy Program and the $11 million Mental Health Clinical Training Program further jeopardize improvements in the quality of care provided to children with sericus emotional problems and their families.

In the substance abuse area, the gross imbalance between prevention and treatment activities on the one hand and activities related to law enforcement on the other continues, leaving tens of thousands of families with drug and alcohol problems unserved. Although the president proposes an 8.7 percent increase in drug prevention and treatment, funds for law enforcement activities continue to outstrip expenditures for prevention and treatment by a ratio of over 2 to 1. Although important federally supported projects designed to prevent and reduce drug use among pregnant and postpartum women have offered comprehensive health and social services to these women and their children, they reach only a small fraction of those in need. For example, the proposed FY 1993 funding level for the Office of Substance Abuse Prevention program for this population is only $57.8 million (a $6 million increase over FY 1992).

Lack of Investments in Troubled Youths

President Bush also seems to have decided to leave behind troubled young people who, without help, too often move on to a life of crime and violence. The FY 1993 budget proposes an

additional $1.2 billion to investigate, arrest, and prosecute criminals, and imprison those who are convicted. Yet at the same time it proposes -- for the fourth year in a row -- to eliminate the $61.1 million Juvenile Justice and Delinquency Prevention Program, the only federal program specifically targeted on the prevention and treatment of juvenile delinquency.

Other programs, targeted at meeting the needs of runaway and homeless youths, including those with drug problems, are frozen at FY 1992 levels -- and together equal only $63 million, far short of the amount needed to reach the half a million children who run away each year. These young people too are at especially high risk of criminal involvement, as either victims or perpetrators. Investments in these various groups of young people could help divert them from paths that often lead to the adult criminal justice system.

Recommendations

Congress and the president have an important opportunity in 1992 to approve legislation that expands investments in services to support and preserve families, protect children, promote community-based systems of care for children with serious emotional disturbances, and ensure comprehensive treatment for families affected by drugs and alcohol. All of these investments will help reduce the future costs of meeting the needs of these children and families.

- Passage of H.R. 3603, the Family Preservation Act, and S. 4, the Child Welfare and Preventive Services Act, will provide ensured funds to strengthen families and meet the needs of children who are at risk of placement in out-of-home care, including families with substance abuse problems;

- Enactment of the Children's and Communities' Mental Health Systems Improvement Act (included in S. 1306 and H.R. 3698) will encourage the development of home and community-based service programs for children with serious emotional disturbances, who too frequently are placed inappropriately in costly and overly restrictive settings;

- Passage of the Children of Substance Abusers Act (included in S. 1306 and H.R. 3796) and new opportunities for Medicaid funding for the residential treatment of parents with substance abuse problems and their children will enhance the development of comprehensive service programs appropriate to address the multiple needs of substance-involved families;

- $30 million in funding for the Family Resource and Support Grant Program will enable first steps in the establishment of statewide networks of family support programs to assist families before crises arise, as recommended by the bipartisan National Commission on Children; and

- Funding increases are also needed for programs for abused and neglected children, runaway and homeless youths, youths in the juvenile justice system, and children with serious emotional problems.

Vulnerable Children and Families: Funding and Budget Requests, FY 1981 - FY 1993
(in millions of dollars)

	Social Services Block Grant/ Title XX	Child Welfare Services	Child Welfare Training	Child Welfare Research	Foster Care	Independent Living	Adoption Assistance	Adoption Opportunities	Child Abuse State Grants
FY 1981 actual	$2,991.8	$163.0	$5.2	$11.0	$ 327.8	NP	$ 5.0	$ 5.0	$ 6.9
FY 1982 proposed[1]	--[2]	--	--	--	--	NP	--	--	--
FY 1982 actual	2,460.0	156.3	3.8	11.0	321.6	NP	5.0	1.9	6.7
FY 1983 proposed[1]	1,974.1	--	--	--	--	NP	--	--	4.6
FY 1983 actual	2,456.0	156.3	3.8	10.3	395.0	NP	5.0	1.9	6.7
FY 1984 proposed[1]	2,560.0	156.0	--	--	440.0	NP	5.0	--	6.7
FY 1984 actual	2,700.0	165.0	2.6	9.5	478.5	NP	5.0	1.9	6.7
FY 1985 proposed[1]	2,700.0	168.8	--	--	460.0	NP	12.8	--	7.0
FY 1985 actual	2,725.0	200.0	3.8	11.8	517.2	NP	35.4	2.0	9.0
FY 1986 proposed[1]	2,700.0	200.0	3.8	8.4	485.0	NP	41.9	1.4	12.0
FY 1986 actual	2,700.0	207.0	3.8	11.8	507.6	NP	41.9	5.0	12.0
After Gramm-Rudman	2,583.9	198.1	3.7	11.2	--[3]	NP	--[3]	4.8	11.4
FY 1987 proposed[1]	2,700.0	200.0	3.8	6.0	544.3	NP	59.9	1.4	--
FY 1987 actual	2,700.0	222.5	3.8	11.3	592.0	$45.0	59.9	5.0	12.0
FY 1988 proposed[1]	2,700.0	--	--	--	585.0	0.0	97.0	--	--
FY 1988 actual	2,750.0[6]	239.4	3.7	10.9	703.2	45.0	108.0	4.8	11.5
FY 1989 proposed[1]	2,700.0	239.4	3.7	16.0	832.0	0.0	133.9	4.8	11.5
FY 1989 actual	2,700.0	246.7	3.7	11.0	1,007.3[7]	45.0	133.9	6.0	11.6
FY 1990 proposed	2,700.0	256.0[9]	3.7[10]	11.0[10]	1,161.2[9]	0.0	125.3[9]	6.0[10]	11.6[11]
FY 1990 actual	2,800.0	256.0	3.7	11.1	1,204.8	50.0	125.3	6.8	11.6
After Gramm-Rudman	2,762.2	252.6	3.6	11.0	1,200.1	50.0	124.9	6.7	11.5
FY 1991 proposed	2,800.0	300.0[14]	3.6	13.5	1,716.8[15]	60.0	150.5	6.7	11.5
FY 1991 actual	2,800.0	273.9[17]	3.6	7.8	1,813.2[18]	60.0	189.8	12.7	19.5
FY 1992 proposed	2,800.0	364.0[19]	3.6	7.8	1,977.0[20]	70.0	201.9	12.7	19.5
FY 1992 actual	2,800.0	273.9	3.6	6.6	2,223.7[24]	70.0	201.9	12.7	20.5
FY 1993 proposed	2,800.0	273.9	5.6	8.6	2,677.3[26]	70.0	241.3[26]	12.7	20.5

Note: NP = program did not exist at this time.
n/a = actual appropriation or budget data not available.

[1]For details on the specific nature of the Administration's budget proposals for FY 1981 - FY 1989, see Children's Defense Fund, The Nation's Investment in Children, An Analysis of the President's FY 1991 Budget Proposals (1990), pp. 52-55.

[2]Unless otherwise noted, the dashes throughout this table mean that the Administration's budget proposed to consolidate the program with others.

	Child Abuse Discretionary Grants	Child Abuse Challenge Grants	Temporary Child Care and Crisis Nurseries Grants	Family Violence Prevention and Services	Abandoned Infants Assistance	Runaway Youth	Runaway Youth/ Transitional Living
FY 1981 actual	$16.1	NP	NP	NP	NP	$11.0	NP
FY 1982 proposed	--	NP	NP	NP	NP	--	NP
FY 1982 actual	9.5	NP	NP	NP	NP	10.5	NP
FY 1983 proposed	--	NP	NP	NP	NP	6.6	NP
FY 1983 actual	9.5	NP	NP	NP	NP	21.5	NP
FY 1984 proposed	--	NP	NP	NP	NP	10.5	NP
FY 1984 actual	9.5	NP	NP	NP	NP	23.2	NP
FY 1985 proposed	--	NP	NP	NP	NP	10.5	NP
FY 1985 actual	17.0	$0.0	NP	$0.0	NP	23.2	NP
FY 1986 proposed	10.0	0.0	NP	0.0	NP	23.2	NP
FY 1986 actual	14.0	5.0	NP	8.5	NP	23.2	NP
After Gramm-Rudman	13.3	5.0[4]	NP	8.4[5]	NP	22.2	NP
FY 1987 proposed	--	0.0	NP	--	NP	23.2	NP
FY 1987 actual	13.9	5.0	$0.0	8.5	NP	23.2	NP
FY 1988 proposed	--	--	0.0	--	NP	--	NP
FY 1988 actual	13.3	4.8	4.8	8.1	NP	26.1	NP
FY 1989 proposed	13.3	4.8	0.0	8.1	NP	26.1	NP
FY 1989 actual	13.6	4.8	4.9	8.2	$ 0.0	26.9	$ 0.0
FY 1990 proposed	13.6	0.0	0.0	8.2[11]	0.0	26.9[11]	0.0
FY 1990 actual	13.6	5.0	8.4[13]	8.4	10.0[13]	29.2[13]	10.0[13]
After Gramm-Rudman	13.5	4.9	8.3[13]	8.3	9.9[13]	28.8[13]	9.9[13]
FY 1991 proposed	13.5	4.9	8.3	8.3	9.9	28.8	9.9
FY 1991 actual	14.6	5.4	11.0	10.7	12.6	35.1	9.9
FY 1992 proposed	14.6	5.4	11.0	10.7	12.6	35.1	9.9
FY 1992 actual	14.6	5.4	11.0	20.0	12.6	35.7	12.0
FY 1993 proposed	16.6	5.4	12.2	20.0	13.8	63.0[27]	--[27]

[3]These programs received special treatment under Gramm-Rudman. Instead of an across-the-board cut, expenditures attributable to a foster care or adoption assistance rate increase that took effect between October 1, 1985 and September 30, 1986 were not eligible for federal reimbursement.

[4]Includes $5 million approved as part of FY 1985 Supplemental Appropriations Bill that was not obligated in FY 1985 and was carried over to FY 1986.

[5]Includes $6 million approved as part of FY 1985 Supplemental Appropriations Bill that was not obligated in FY 1985 and was carried over to FY 1986.

[6]An additional $50 million was contained in the reconciliation bill, but not the continuing resolution, passed in 1987. In fact, the $50 million was never made available to states.

	Runaway Youth/ Drug Abuse Prevention	Drug Abuse Prevention/ Gangs	Juvenile Delinquency Prevention	Child and Adolescent Service System Program	Alcohol, Drug Abuse, and Mental Health Block Grant	Emergency Protective Services	Comprehensive Child Development Centers	Family Resource, Support Grants
FY 1981 actual	NP	NP	$100.0	NP	$ 691.0	NP	NP	NP
FY 1982 proposed	NP	NP	0.0	NP	--	NP	NP	NP
FY 1982 actual	NP	NP	70.0	NP	428.0	NP	NP	NP
FY 1983 proposed	NP	NP	0.0	NP	432.0	NP	NP	NP
FY 1983 actual	NP	NP	73.0	NP	439.0	NP	NP	NP
FY 1984 proposed	NP	NP	0.0	NP	439.0	NP	NP	NP
FY 1984 actual	NP	NP	70.5	$1.5	462.0	NP	NP	NP
FY 1985 proposed	NP	NP	0.0	0.0	472.3	NP	NP	NP
FY 1985 actual	NP	NP	70.2	3.9	490.0	NP	NP	NP
FY 1986 proposed	NP	NP	0.0	0.0	490.0	NP	NP	NP
FY 1986 actual	NP	NP	70.2	4.5	490.0	NP	NP	NP
After Gramm-Rudman	NP	NP	67.3	4.0	468.9	NP	NP	NP
FY 1987 proposed	NP	NP	0.0	0.0	490.0	NP	NP	NP
FY 1987 actual	NP	NP	70.3	4.7	495.0	NP	NP	NP
FY 1988 proposed	NP	NP	0.0	4.7	495.0	NP	NP	NP
FY 1988 actual	NP	NP	68.6	7.4	487.3	NP	NP	NP
FY 1989 proposed	NP	NP	0.0	10.0	509.0	NP	NP	NP
FY 1989 actual	$15.2	$15.0	68.2	8.1	502.8[8]	NP	$19.1	NP
FY 1990 proposed	15.0[10]	15.0[10]	0.0	5.8	805.6[12]	NP	n/a[10]	NP
FY 1990 actual	15.0[13]	15.0[13]	81.8[13]	n/a	1,205.0[13]	NP	24.7	NP
After Gramm-Rudman	14.8[13]	14.8[13]	81.8[13]	n/a	1,193.0[13]	NP	24.4	NP
FY 1991 proposed	14.8	14.8	7.5	n/a	1,293.0[16]	NP	24.4	NP
FY 1991 actual	14.8	14.8	75.3	9.6	1,268.7	$19.5	24.4	$0.0
FY 1992 proposed	14.8	14.8	7.5[21]	n/a[22]	1,269.0	19.5	24.4	0.0[23]
FY 1992 actual	15.3	10.9	68.6	9.6	1,360.0	19.5	44.4[25]	0.0
FY 1993 proposed	--[27]	10.9	7.5[28]	9.6	1,360.0	19.5	44.4	0.0[23]

[7]An additional $539 million was also appropriated in FY 1989 for claims from prior years.

[8]Additional mental health and substance abuse services were consolidated into the block grant by the Omnibus Anti-Drug Abuse Act of 1988. Total estimated funding for these activities in FY 1989 was $824 million.

[9]The FY 1990 administration request proposed to transfer the administrative and training portions of the foster care ($543.5 million) and adoption assistance ($27.6 million) programs to a new discretionary Comprehensive Child Welfare Services Program along with funds from the $256 million Child Welfare Services Program. Only $617.7 million for foster care maintenance payments and $97.6 million in adoption assistance payments were to be retained in the entitlement program for FY 1990.

[10]The FY 1990 request proposed $129 million for Human Services Research, Training and Demonstration activities, which included these programs as well as other aging and developmental disabilities activities.

[11]The FY 1990 request combined funding for these three programs into one line item for Family Crisis Programs funded at $46.8 million.

[12]Includes the additional funds for mental health and substance abuse services that were consolidated into the block grant by the Omnibus Anti-Drug Abuse Act of 1988.

[13]Includes increases approved as part of the Department of Transportation FY 1990 appropriation for the Emergency Drug Funding Bill.

[14]The FY 1991 administration request proposed to transfer $47.4 million to the Child Welfare Services Program from the authority for the federal programs authorized under Title IV-E of the Social Security Act.

[15]The FY 1991 request also included an additional $544 million for payment of foster care prior year claims.

[16]The $100 million increase proposed for FY 1991 is for the drug portion of the block grant. The other portions would be maintained at the FY 1990 level.

[17]Includes $27.4 million transferred to the Child Welfare Services Program from the authority for the federal programs authorized under Title IV-E of the Social Security Act.

[18]An additional $521 million was also appropriated in FY 1991 for claims from prior years.

[19]The FY 1992 administration request proposed an additional $90 million for the Title IV-B Child Welfare Services Program, contingent upon legislative approval of the proposed reductions in the Title IV-E Foster Care Program.

[20]The FY 1992 request reflected a proposal to eliminate preplacement prevention activities as an allowable administrative cost under the Title IV-E Foster Care Program, thereby reducing program funding for FY 1992 by $246 million. In addition, the FY 1992 request included an additional $118 million for prior year claims.

[21]The FY 1992 request proposed elimination of the Juvenile Justice and Delinquency Prevention Act but retained a small high risk youth program.

[22]The FY 1992 request included $26 million for the Community Support Program, of which the Child and Adolescent Service Program (CASSP) was a part.

[23]No mention was made of this program in the FY 1992 or FY 1993 requests.

[24]An additional $118.5 million was appropriated in FY 1992 for claims from prior years.

[25]$20 million of this amount was transferred to the Comprehensive Child Development Centers Program from the "Educational Excellence" package.

[26]The FY 1993 administration request proposes to establish a new capped entitlement program, the Comprehensive Child Welfare Services Program, which would be funded totally by transferring the existing administrative and training portions of the currently open-ended Title IV-E foster care ($1,238.0 million) and adoption assistance ($59.4 million) programs. The maintenance portions of Title IV-E ($1,620.8 million), which reimburse for foster care room and board costs and adoption subsidies for children with special needs, would remain as open-ended entitlement programs.

[27]The FY 1993 request proposes to merge these three programs targeted on runaway and homeless youths and to fund the combined program at the combined FY 1992 levels.

[28]The FY 1993 request again proposes to eliminate the $68 million Juvenile Justice and Delinquency Prevention Act program. Although it would retain a small ($7.5 million) program for high risk youth, it would essentially reduce individual grants under that program by 50 percent by requiring a 50 percent match from grantees.

Education

There is national consensus that this country is leaving far too many of its children behind in the struggle to prepare them for the challenges of adulthood and citizenship. President Bush has called for a "revolution" in education, but his budget requests are wholly inadequate to achieve this necessary and ambitious goal.

The president's plan does not increase the federal commitment to education, but instead diverts public education dollars into private schools and creates a few experimental schools to serve a tiny fraction of America's children. On the other hand, the Bush budget underfunds proven programs (such as Chapter 1) that help large numbers of the neediest students and their schools, shifting dollars to untried efforts that threaten to drain resources from these schools' ongoing improvement efforts.

For a true revolution, local communities and states must have the opportunity to set high standards for all students and must have the resources to help all students reach these standards. Repairing school buildings, upgrading teachers' skills, creating new curricula, and supplying up-to-date materials all will help this effort. So will rapidly expanding Head Start to prepare children for school. And, as schools take on a greater role in meeting the non-academic needs of students, increases in programs to meet children's health, recreational, and

other needs are also crucial to successful education. In addition, schools across districts and states must receive equitable funding to reach high standards using well-trained staff, well-informed and involved parents, and committed community partners.

These systemic changes and the proven programs that support them do not fare well in the President's budget.

Chapter 1

As the number of children living in poverty has increased, Chapter 1, the one national education program directly intended for these children, still leaves two of every five eligible children unserved. President Bush's budget will not change this.

Chapter 1 is the federal compensatory education program that helps local school districts serve economically and educationally disadvantaged students, and helps states provide educational services to children of migrant workers and neglected and delinquent children in state care.

Overall, Chapter 1 programs receive only a two percent increase in the president's budget, an increase that will not keep up with inflation much less the growing demand for services. The Chapter 1 budget request of $6.2 billion for FY 1993 will decrease the basic state grants in real dollars. Chapter 1 programs serving some of the most vulnerable children in our country, migrant and neglected and delinquent students, will receive no additional money.

Concentration grants would receive a $100 million increase, which will benefit jurisdictions with high concentrations of poor children. And Even Start, the combined early childhood and adult education program, would receive a $20 million boost (from $70 million to $90 million). Yet school district and state budgets squeezed by the recession, a declining tax base, and other federal cuts will not be able to pick up more than a tiny fraction of their losses through the increases in these two relatively modest programs. Schools will respond by cutting the quantity or quality of services or the number of children served.

Bilingual Education

The number of immigrants to the United States from all over the world has been growing. The public schools are the first social institution to feel the impact of this diversity. Yet the federal response to this has been one of neglect.

Federal funding for bilingual education never has been enough to serve more than ten percent of the youngsters who need additional help making the transition to English-speaking classrooms. This will not change under the president's proposed FY 1993 budget. The overall budget for bilingual and immigrant education would rise only four percent,to a total of $233.6 million.

Special Education

State budget crises have put a strain on states' ability to meet the multiple needs of children with disabilities. The

federal government continues to ignore its originally expressed responsibility of providing 40 percent of the excess costs of special education. In the face of skyrocketing special education expenses, the president's budget proposes a modest five percent gain for services to school-age children, level funding for preschool grants, only enough of an increase to keep up with inflation and provide the same level of support as last year for early intervention for infants and families, and level funding for research, demonstration, and training activities.

School Lunches

Subsidizing nearly 24 million lunches per day, the federal school lunch program plays a part in the national effort to boost student achievement. Government-sponsored research has shown the benefits of adequate nutrition to school achievment.

The president proposes a modest expansion in school lunch funding (7 percent) to $3.9 billion in FY 1993, including a proposal to decrease the share of the cost of meals paid by families living below 185 percent of poverty. This proposal would be paid for in part by raising the price of lunches for (and reducing the subsidy for) families with incomes above the 185 percent cutoff.

This strategy runs the risk of diminishing the quality of the program districts offer and pushing some districts out of the program altogether. If moderate-income families cease participating, all children -- the poor as well -- will lose out

if schools drop out of the program.

Higher Education

College costs continue to soar, state institutions are reducing course offerings and limiting financial aid, and students report that the number one factor governing their choice of school is cost. But the president's financial aid budget calls for fewer Pell Grants, and cuts work study and state grants to needy students.

The game of giving to some children while taking away from others continues in the higher education budget. Pell Grants would receive a 15.5 percent increase overall ($845.4 million), to $6.3 billion. The Administration proposes to increase the maximum award for a student from $2,400 to $3,700 by eliminating some students from the program. Nearly 440,000 students would lose their eligibility in this plan.

Other cuts to support the overall increase in Pell Grants would come from a 26 percent reduction in the College Work Study program and a 38 percent cut in the Supplemental Educational Opportunity Grants offered by states. State Student Incentive Grants for disadvantaged students are proposed to be eliminated, as are further contributions to the Perkins Loans Fund. Altogether, these cutbacks would reduce the number of awards to students by 1,250,000 in the name of adding 410,000 awards and increasing the maximum. This is the wrong way to go about providing the increases in assistance some students need.

Recommendations

- Congress must prevent the decline of Chapter 1 services by supporting all facets of the program and pushing toward full funding with a substantial increase in FY 1993.

- Congress should make a commitment to meeting the needs of more bilingual students by doubling the grants to school districts and significantly increasing training and evaluation assistance, resulting in a $360 million appropriation for FY 1993.

- Congress should move toward meeting the federal responsibility for special education costs by increasing the FY 1993 appropriation to $3.9 billion.

- The Administration's proposal to reduce school lunch costs for poor families is laudable, but it must be done by boosting budget authority for the programs rather than by cutting other children's benefits.

- Congress should meet the challenge of expanding the size and the impact of the Pell Grant program by substantially increasing its funding.

Education: Funding and Budget Requests, FY 1981 - FY 1993
(in millions of dollars)

	Chapter 1 Compensatory Education	Chapter 2	Bilingual Education	Education of the Handicapped	Vocational Education	Student Financial Assistance	Guaranteed Student Loans	TRIO
FY 1981 actual	$3,514.8	$ 536.8[2]	$175.0	$1,103.0	$ 779.2	$3,356.5	$2,523.3	$159.5
FY 1982 proposed	--[3]	4,361.7[3]	140.0	--[3]	623.4	3,793.7	1,773.8	159.5
FY 1982 actual	3,034.0	470.4	138.0	1,068.6	655.8	3,569.5	3,073.8	155.0
FY 1983 proposed	1,942.0	432.0	94.5	845.7	500.0[4]	1,800.0	2,484.6	82.2
FY 1983 actual	3,200.4	479.4	137.8	1,199.3	728.7	3,617.8	3,090.0	154.7
FY 1984 proposed	3,014.0	478.9	95.0	1,110.2	500.0[4]	3,567.8	2,047.1	35.0
FY 1984 actual	3,480.0	479.4	169.2	1,240.6	739.0	3,986.9	2,253.7	164.7
FY 1985 proposed	3,480.0	728.9[6]	139.2	1,214.4	738.5[7]	3,654.0	2,840.7	82.4
FY 1985 actual	3,688.2	531.9	172.9	1,321.3	738.5[7]	4,871.0	3,078.0	174.9
FY 1986 proposed	3,646.6	531.9	142.9	1,306.1	738.5	3,569.0	2,714.5	82.4
FY 1986 actual	3,688.2	528.9	172.9[8]	1,411.0	838.8[7]	4,887.0	3,300.0	176.4
After Gramm-Rudman	3,529.6	506.2	168.9[8]	1,349.7[9]	813.4[7]	4,675.4[10]	3,260.0[10]	168.8
FY 1987 proposed	3,688.2	528.9	143.0[10]	1,303.1	408.1[7]	3,812.6	2,329.6	82.4
FY 1987 actual	3,944.2	529.3	180.6[8]	1,741.9	882.0[7]	5,483.0	2,717.0	176.4
FY 1988 proposed	4,144.2	529.3	143.1	1,488.2	0.0	3,336.0	1,176.6	82.4
FY 1988 actual	4,327.9	503.7	146.6	1,869.0	888.2	5,544.8	2,565.0	205.8
FY 1989 proposed	4,566.1	575.0	156.6	1,916.9	888.2	6,099.6	2,735.6	205.8
FY 1989 actual	4,570.2	490.7	151.9	1,961.3	918.4	5,814.3	4,066.8	219.3
FY 1990 proposed	4,721.5[11]	507.2	157.1	2,013.8	949.5	5,845.0	2,962.5	228.2
FY 1990 actual	5,425.1	494.0	168.5	2,083.7	942.5	6,175.1	3,826.3	245.0
After Gramm-Rudman	5,183.8[13]	487.9	158.5	2,201.6[13]	937.7	6,082.4	4,376.0[15]	241.8
FY 1991 proposed	5,604.4	506.6	175.4	2,137.4	937.8	6,352.4	3,368.3[15]	269.7
FY 1991 actual	6,065.8[13]	484.6[14]	168.7	2,616.3[13]	1,010.9	6,714.9	4,619.5[15]	333.7
FY 1992 proposed	6,214,2[13]	477.7	171.5	2,729.9[13]	1,010.9	6,713.7	5,892.6[15]	385.1[16]
FY 1992 actual	6,696.4[13]	489.3	195.4	2,854.9[13]	1,149.6	6,888.0	4,819.5[15]	385.2
FY 1993 proposed	6,817.6[13]	480.8	203.6	2,943.4[13]	1,150.6	7,692.8	6,046.1[15]	407.0[16]

Note: n/a = actual appropriation data not available.

[1]Includes commodities for child nutrition.

[2]Total FY 1981 funding level of Chapter 2 Block Grant antecedent programs.

[3]Proposed Elementary and Secondary Education Block Grant to consolidate 50 individual programs.

[4]Proposed Vocational and Adult Education Block Grant.

[5]Proposed to repeal, include in block grant.

	School Lunch[1]	School Breakfast	Summer Food
FY 1981 actual	$3,004.5	$322.6	$148.8
FY 1982 proposed	2,120.0	299.5	0.0
FY 1982 actual	2,486.4	319.4	88.8
FY 1983 proposed	2,665.3	--[5]	0.0
FY 1983 actual	2,833.5	354.4	91.9
FY 1984 proposed	2,709.3	--[5]	--[5]
FY 1984 actual	3,004.1	364.9	104.6
FY 1985 proposed	3,138.4	393.4	--[5]
FY 1985 actual	3,134.9	407.0	115.1
FY 1986 proposed	2,868.5	414.5	117.2
FY 1986 actual	3,158.5	404.9	121.8
After Gramm-Rudman	3,158.5	404.9	121.8
FY 1987 proposed	2,911.2	414.1	111.7
FY 1987 actual	3,478.2	468.3	128.0
FY 1988 proposed	3,038.9	454.5	115.4
FY 1988 actual	3,497.3	473.2	136.3
FY 1989 proposed	3,709.8[12]	514.5	147.8
FY 1989 actual	3,265.0	513.0	146.7
FY 1990 proposed	3,865.5	560.9	160.6
FY 1990 actual	n/a	n/a	170.9
After Gramm-Rudman	3,447.7	591.5	163.5
FY 1991 proposed	3,445.2	606.0	179.7
FY 1991 actual	3,806.8	693.8	179.1
FY 1992 proposed	3,896.0	726.1	196.2
FY 1992 actual	3,914.2	744.8	189.3
FY 1993 proposed	4,185.1	816.5	203.2

[6]Proposed increase to fund state education reform initiative recommended by National Commission on Excellence in Education.

[7]Includes bilingual vocational training.

[8]Includes migrant education.

[9]Excludes funds transferred to salaries and expenses.

[10]Bilingual vocational training transferred to Office of Vocational and Adult Education; includes funds authorized under Bilingual Education Act and since FY 1984 Emergency Immigrant Education Act.

[11]Special emphasis was to be given to Chapter 1 schools in the proposal for a Presidential Merit Schools Competition, but no funds were requested to expand the Chapter 1 program.

[12]As of FY 1989 actual, calculation includes School Lunch Program plus FNS Commodity Procurement only.

[13]Beginning in FY 1992, the Chapter 1 Handicapped Program was transferred from the Education of the Disadvantaged to the Education of the Handicapped. Actual funding from FY 1990 onward has been adjusted for comparability.

[14]Includes funds for the National Diffusion Network and Blue Ribbon Schools, two discretionary programs authorized by Chapter 2 but now contained in the Educational Research and Improvement section of the budget.

[15]Beginning in FY 1992, Guaranteed Student Loans reflect provisions of the Credit Reform Act of 1990. Actual appropriations from FY 1990 onward have been restated to be comparable with more recent data.

[16]The administration's proposal would also consolidate Upward Bound and other programs into two discretionary funds, including $10 million found elsewhere in the Department budget.